



**OECD Development Co-operation Peer Reviews**

**SPAIN**

**2022**





**OECD  
Development  
Co-operation  
Peer Reviews:  
Spain  
2022**

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# Foreword

The OECD Development Assistance Committee (DAC) conducts reviews of the development co-operation efforts of DAC members every five to six years. DAC peer reviews seek to improve the quality and effectiveness of development co-operation policies, programmes and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries.

From 2021, DAC peer reviews no longer cover all components identified in the peer review analytical framework ([www.oecd.org/dac/peer-reviews/about-peer-reviews.htm](http://www.oecd.org/dac/peer-reviews/about-peer-reviews.htm)). Instead they highlight good and innovative practices and reflect on key challenges faced by the reviewed member on select themes, recommending improvements. These themes are selected through consultation with representatives from the reviewed member and its partners.

At the beginning of the process, the reviewed member submits a self-assessment. Based on this, staff from the Secretariat and two DAC members designated as peer reviewers visit the member's capital to interview officials and parliamentarians, as well as representatives of civil society, non-government organisations and the private sector. This is followed by visits to up to two partner countries or territories, where the team meets with the representatives from the reviewed member as well as senior officials and representatives of the partner's administration, parliamentarians, civil society, the private sector and other development partners. The team then compiles the findings of these consultations and prepares a set of recommendations which are then discussed during a formal meeting of the DAC prior to finalisation of the report. During the whole process, the OECD Development Co-operation Directorate provides analytical support and is responsible for developing and maintaining, in close consultation with the DAC, the methodology and analytical framework within which the peer reviews are undertaken.

To support learning between DAC members, the report highlights a number of areas of good practice from the reviewed member from which other DAC members and development actors can draw inspiration. These are documented in further detail on the Development Co-operation TIPs – Tools Insights Practices – website ([www.oecd.org/development-cooperation-learning](http://www.oecd.org/development-cooperation-learning)) – an online peer learning platform that offers insights into making policies, systems and partnerships more effective. Peer review reports are complemented by a “Snapshot” of the member's development co-operation ([www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR\(2021\)4/6/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR(2021)4/6/FINAL&docLanguage=En)), which includes factual information on its policies, institutional arrangements, finance and management systems.

The analysis presented in this report is based on (1) a desk review, including Spain's self-assessment and written assessments provided by more than 15 partners (multilateral, non-government and academic partners as well as partner governments); and (2) an extensive process of virtual consultation with actors and stakeholders in Spain and Colombia (listed in Annex B). The report, which contains both findings and recommendations, fed into the DAC meeting at the OECD on 14 December 2021, at which senior officials from Spain responded to questions and comments shared by DAC members.

# Acknowledgements

Development Assistance Committee (DAC) peer reviews function as a tool for both learning and accountability. This report is the result of an in-depth consultation and review process. It was produced by a review team comprising peer reviewers from the Czech Republic (Václav Bálek and Gabriela Boiteux Pilna from Czech Ministry of Foreign Affairs) and Japan (Akira Kadomoto from Japan Ministry of Foreign Affairs and Megumi Muto from Japan International Cooperation Agency). From the OECD Development Co-operation Directorate, Joëlline Bénédicte, Policy Analyst, served as the lead analyst for the review, together with Emily Bosch, Policy Analyst, Cyprien Fabre, Crises and Fragility Specialist Team Lead, and Claire Naval, Policy Analyst (Anti-corruption Specialist). Autumn Lynch provided logistical assistance to the review, and formatted and produced the report. The report was prepared under the supervision of Rahul Malhotra, Head of Division, Reviews, Results, Evaluation and Development Innovation.

The team are grateful for valuable inputs from across the Development Co-operation Directorate including the Financing for Sustainable Development division and the Global Partnership for Effective Development Co-operation – and the OECD, in particular the Directorate for Legal Affairs, the Directorate for Public Governance; the Economics Department; the Environment Directorate; and the Multilateral Organisation Performance Assessment Network.

The Peer Review of Spain benefited throughout the process from the commitment and dedication of representatives of Spain's Ministry of Foreign Affairs. The review team is also thankful to the Ambassador of Spain and the Head of the technical co-operation office of the Spanish Agency for International Development Co-operation (AECID) in Colombia and their staff, who ensured smooth contact with local counterparts as well as documentation, insights and logistical support.

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# Abbreviations and acronyms

AECID	Agencia Española de Cooperación Internacional para el Desarrollo [Spanish Agency for International Development Co-operation]
AFD	Agence Française de Développement [French Development Agency]
COFIDES	Compañía Española de Financiación del Desarrollo [Spanish Development Finance Corporation]
COVID-19	Coronavirus (SARS-CoV-2)
CSO	Civil society organisation
DAC	Development Assistance Committee (OECD)
DGPOLDES	Dirección General de Políticas de Desarrollo Sostenible [General Directorate for Sustainable Development Policies]
EU	European Union
FARC	Fuerzas Armadas Revolucionarias de Colombia [Revolutionary Armed Forces of Colombia]
FCAS	Fondo de Cooperación para Agua y Saneamiento [Co-operation Fund for Water and Sanitation]
FIIAPP	Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas [International and Ibero-American Foundation for Administration and Public Policies]
FONPRODE	Fondo para la Promoción del Desarrollo [Development Promotion Fund]
GDP	Gross domestic product
GNI	Gross national income
HDP	Humanitarian-development-peace
ICO	Instituto de Crédito Oficial [Official Credit Institute]
KfW	Kreditanstalt für Wiederaufbau [Credit Institute for Reconstruction]
LDC	Least developed country
MAP	Marcos de Asociación País [Country Partnership Frameworks]
MAUC	Ministerio de Asuntos Exteriores, Unión Europea y Cooperación [Ministry of Foreign Affairs, European Union and Co-operation]
MIC	Middle-income country
MINECO	Ministerio de Asuntos Económicos y Transformación Digital [Ministry of Economic Affairs and Digital Transformation]

NGO	Non-government organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PP	Partido Popular [Popular Party]
PPP	Public-private partnership
PSOE	Partido Socialista Obrero Español [Spanish Socialist Workers' Party]
SDG	Sustainable Development Goal
SECI	Secretaría de Estado de Cooperación Internacional [State Secretariat for International Co-operation]
TOSSD	Total official support for sustainable development
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
UNVMC	United Nations Verification Mission in Colombia

**Signs used:**

EUR	Euro
USD	United States dollars

Slight discrepancies in totals are due to rounding.

**Annual average exchange rate: 1 USD = EUR**

2013	2014	2015	2016	2017	2018	2019	2020
0.7532	0.7537	0.9015	0.9043	0.8871	0.8473	0.8933	0.8775

# Executive summary

This peer review report assesses progress made since the 2016 peer review, highlights recent successes and challenges, and provides recommendations for the future. The report was prepared with reviewers from the Czech Republic and Japan, with support from the OECD Secretariat.

Spain, the 13th largest Development Assistance Committee (DAC) member by volume, has recently set out a comprehensive reform agenda for its development co-operation, grounded in high public support. The agenda involves reforming the legislative and regulatory framework, setting out new priorities and objectives for Spanish co-operation and increasing the official development assistance (ODA) budget.

**Spain is committed to the 2030 Agenda for Sustainable Development at the highest level.** It has made international co-operation a state policy, central to its external action, to use as a lever and catalyst to achieve the Sustainable Development Goals (SDGs) globally and has committed to strengthen policy coherence mechanisms. By clearly linking its bilateral co-operation frameworks (MAPs) to the SDGs, Spain also helps its partners advance the agenda locally. Spain has increased transparency and accountability surrounding its total official support for sustainable development (TOSSD) and its alignment with the SDGs when communicating to the general public and parliament.

**In fragile contexts, development and peace activities are strongly linked, in line with the OECD Recommendation on the Humanitarian-Development-Peace nexus.** Spain engages in conflict mediation and cultural co-operation to create environments conducive to sustainable peace and to facilitate conflict resolution, thus reinforcing its long-term political engagement in peace processes. NGOs are a great asset. While NGOs implement 56% of Spain's bilateral ODA, they deliver 86% of Spain's engagement in fragile contexts enabling it to engage at very local levels, cementing trust and participation.

**Spain places particular emphasis on collaborating with institutions from the European Union (EU) and other partners.** The third-largest implementer of EU delegated co-operation, Spain invests heavily in influencing EU development policy in Brussels to increase the policy focus on inclusion. EU delegated co-operation and Spain's bilateral investments are complementary. Spain also works with multilateral development banks and bilateral development finance institutions to blend reimbursable and non-reimbursable financing and extend the range of instruments it has at its disposal.

**Spain champions horizontal partnerships and mutual learning.** By leveraging technical expertise from the public sector, Spain has contributed to building shared knowledge and lasting networks supporting regional solutions to local and global challenges. Stakeholders consistently appreciate the MAP process and the dialogue conducted locally. Focus on ownership, transparency, inclusivity and long-term commitments builds trust, while peer-to-peer dialogues ease engagement on difficult issues and mobilise middle-income countries around the SDGs.

**Consultation and inclusivity are core to Spain's approach** to development co-operation – a necessity given the diversity of its system. Domestically, Spain has developed whole-of-government and whole-of-society approaches and has been able to speak with one voice on key challenges such as debt forgiveness and COVID recovery. In partner countries, Spain has succeeded in agreeing comprehensive bilateral partnership frameworks based on open dialogue with partner country stakeholders and all Spanish

co-operation actors, including civil society and local and regional authorities. Such inclusive dialogue helps amplify voices that would not necessarily be heard.

**While diversity is a strength of Spain's development co-operation, it also comes with challenges.** Being responsible for a limited share of the ODA budget, the State Secretariat of International Co-operation (SECI) faces challenges steering all actors towards an integrated strategy and taking full advantage of their complementarities. Its enhanced political weight and clearer division of labour are opportunities to address these challenges when drafting the next Master Plan.

**Diverse partnerships can make focused and predictable programmes in countries or territories more challenging within a segmented system.** As comprehensive documents, MAPs are sometimes seen to contain multiple priorities and small projects. In addition, projects delegated by the EU or funded through the Development Promotion Fund (FONPRODE) are not systematically part of the MAPs, which limits Spain's ability to link its technical and financial co-operation and mobilise its strong local knowledge and relationships. While technical co-operation offices make considerable efforts to build coherence across whole-of-Spain development co-operation locally, success requires intensive staff resources.

**Knowledge sharing and institutional learning are works in progress.** Despite impressive efforts to improve reporting at corporate level and renew and build on existing results frameworks in its programming, Spain has limited capacity to collect results or to fully understand the results of its public technical assistance. Efforts to improve institutional learning are challenged by the lack of a sustained strategic vision. Further efforts to systematise data collection, results monitoring and upward information flows could improve knowledge sharing, decision making and steering.

**Tackling human resource challenges is fundamental.** The split between generalists in Madrid and a pool of experts posted abroad with limited opportunities to work at headquarters creates a divided system. The lack of a development career path, poor terms and conditions and complex contractual arrangements, as well as limited use of the local talent pool all negatively affect Spain's ability to attract and retain talent and build on internal knowledge. The upcoming comprehensive reform is an opportunity to reassess which skills will be needed and where, in order to deliver on Spain's ambition.

**A number of laws and regulations considerably impede the flexibility, predictability and efficiency of the development programme.** Difficulties in providing multi-year funding, and long approval and reporting processes focused on inputs and outputs rather than outcomes, place administrative burdens on all parties and undermine efficiency and the quality of partnerships. Reforming this regulatory framework will be critical for Spain to be able to successfully mobilise all the instruments at its disposal.

**In particular, Spain's current institutional arrangements are holding back financial co-operation.** The approval process for FONPRODE operations is very long and cumbersome, even more so considering the small volume of operations. FONPRODE's model gives it limited ability to steer and govern operations since banking services and financial advice are provided outside of the Spanish Agency for International Development Co-operation (AECID), the implementing agency. FONPRODE could take fuller advantage of being part of AECID to make sustainable development central to its operations, building on the existing architecture and seeking greater complementarity between technical and financial co-operation.

**Spain's humanitarian policy takes a holistic view and reflects new ambitions, but the tools it has developed are narrow in scope.** The new humanitarian early recovery fund, for example, covers initial humanitarian assistance, plus a further six months of funding. However, this does not often reflect the reality in fragile contexts where early development transition requires more flexible series of approaches that are less compartmentalised and part of a broader crisis management and development continuum.

**Spain did not meet its national commitment to achieve 0.4% GNI as ODA by 2020.** Yet, there are positive signs that Spanish development co-operation is moving in the right direction: building on strong public support for development co-operation, the 2022 budget will see the largest increase in ODA in a decade.

## The DAC's recommendations to Spain

The following recommendations aim to support Spain's ambitious reform objectives. They focus on the interconnected challenges identified during the review.

To make its development co-operation more effective, Spain should:

1. **Strengthen SECI's leading and convening role in the development co-operation system**, building on its dedicated international co-operation mandate, to reinforce inter-ministerial co-ordination and further pursue policy coherence for development. Spain should also **continue to clarify the division of labour** between MAUC and AECID, in particular over strategic planning and budgeting, alliance building and managing multilateral contributions.
2. **Develop an integrated strategy** that identifies how Spain's various instruments, co-operation entities, as well as regional and local approaches, could complement each other better, enhance synergies and collaboration among actors, and make the most of this diverse system to:
  - steer collective action and results in countries and territories
  - further focus the Master Plan under shared priorities
  - and create more systematic links between its financial and technical co-operation.
3. **Establish a roadmap with annual forecasts of ODA budgets** to achieve the international commitment of spending 0.7% of its GNI as ODA, as well as its national interim milestones in line with the upcoming Master Plan.
4. **Accelerate efforts to update human resources policies** across the development co-operation system, in order to:
  - ensure the number and composition of staff at all levels and in all institutions enable each institution to fulfil its mandate
  - create a development career path that breaks the divide between Madrid and technical co-operation offices
  - improve terms and conditions to retain talent, including for expatriated staff
  - create a more important role for locally engaged staff.
5. **Bring the regulatory framework and administrative systems into line with the long-term ambitions** of development co-operation to enable sustained but flexible support, speed-up procurement, reduce the administrative burden and improve flexibility and the quality of partnerships.
6. **Continue to develop and disseminate risk management guidance** to make it fully operational at project and programme level and support staff in prioritising the management of risk based on context to improve programme delivery.
7. **Strengthen institutional learning** emerging from technical co-operation, the results of programming across ministries and entities, as well as the experience of technical co-operation offices and **build stable and robust systems for knowledge management**.
8. **Pursue efforts to continuously measure results** at corporate level and locally – especially the results of its technical co-operation and knowledge-building activities – to make sure results information is used for accountability purposes as well as for decision making.
9. **Set out a clear policy for Spain's financial co-operation, including principles and objectives that keep sustainable development at its core**. It should streamline its existing institutional set-up and make operations more efficient, equipped with controls and safeguards, in line with its new policy and plans to expand financial co-operation.

10. **Ensure that tools for humanitarian diplomacy and the new early recovery fund address crisis management** and not only humanitarian assistance in order to increase their effectiveness and match Spain's renewed ambition.

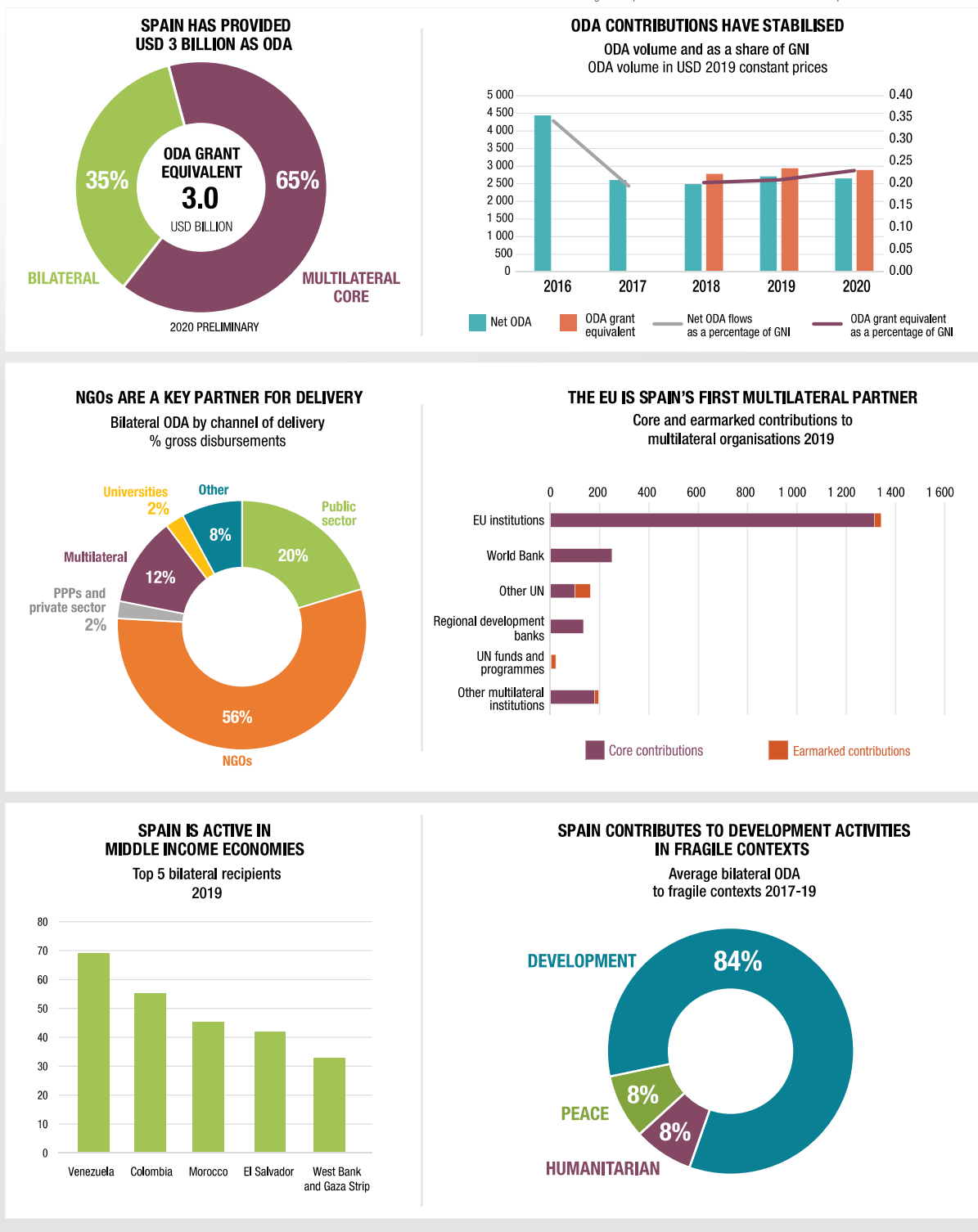
## Infographic 1. Highlights from the 2022 Development Co-operation Peer Review of Spain





## Infographic 2. Spain's development co-operation at a glance

Figures expressed in USD million and based on current prices unless otherwise stated.



## Findings and recommendations

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This report presents the findings and recommendations of the 2022 development co-operation peer review of Spain. In accordance with the 2021 methodology, it does not cover all components identified in the peer review analytical framework. Instead, the report focuses on five areas of Spain's development co-operation which were selected in consultation with Spain's partners and Spanish government representatives. It analyses Spain's overall development co-operation and humanitarian assistance architecture and systems to see if they are fit for purpose in the context of Spain's reform agenda. It then explores Spain's policies and processes through the lens of inclusive partnerships, mobilising public sector expertise, development finance, and fragility. For each of these areas, the report identifies Spain's strengths and challenges, the elements enabling Spain's achievements, and the opportunities or risks that lie ahead.

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## Context of the peer review of Spain

### ***Political and economic context***

The period of this review has been marked by political changes. Spain held three general elections between 2015 and 2019 and saw its government shift from a minority coalition led by the Popular Party (PP) to another minority coalition led by the Socialist Workers' Party (PSOE) together with Unidas Podemos in 2018. The political situation has had a direct impact on Spain's ability to reform its development co-operation system; approve new strategies and partnership agreements with countries and territories, as well as multilateral organisations; and vote in new budgets, including the budget dedicated to official development assistance (ODA).

Linked to the COVID-19 pandemic, Spain recorded one of the worst recessions in Europe in 2020, and its economy contracted by 10.8%. Gross domestic product (GDP) is projected to grow by 5.9% in 2021 and 6.3% in 2022 (OECD, 2021<sup>[1]</sup>). Pre-pandemic, Spain was facing lower productivity and higher inequality than most advanced economies, although its employment rates were higher.

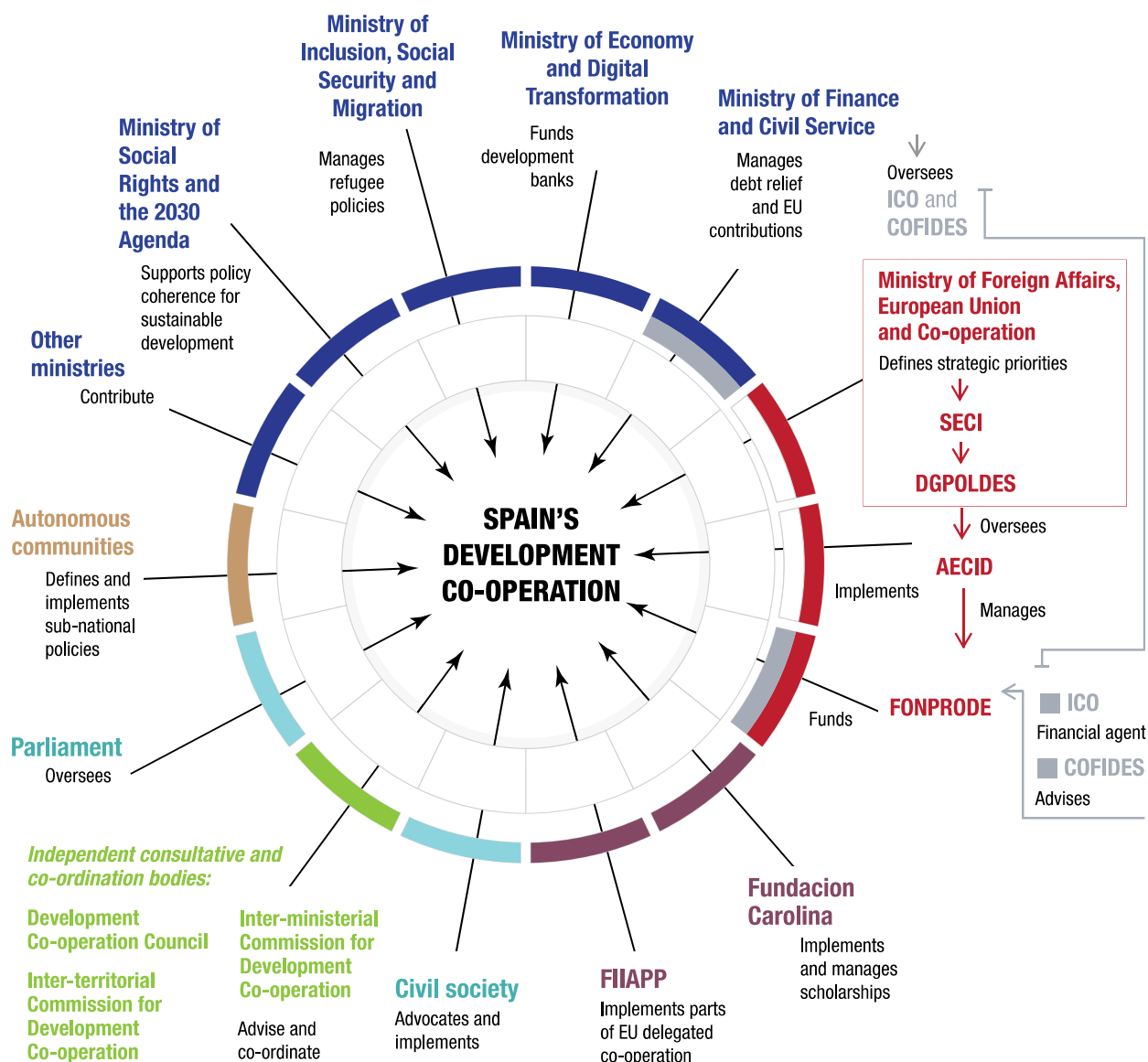
### ***Institutional and strategic framework for Spain's development co-operation***

Spain's institutional setting for development co-operation is diverse, with numerous ministries and public institutions involved in planning and delivering the policy for international co-operation (Figure 1). Autonomous governments and Spanish municipalities are responsible for their own development co-operation policies, and delivered on average 12% of Spain's total ODA in 2018 and 2019.

The current government, elected in 2018, has embarked on an extensive reform agenda for development co-operation. It aims to update the 1998 law regulating international co-operation for development – Law 23/1998 (Agencia Estatal Boletín Oficial del Estado, 1998<sup>[2]</sup>) – redesign Spain's development co-operation architecture; draft a new development policy for 2022-25 (the VI<sup>th</sup> Master Plan) to meet the demands of the 2030 Agenda; and increase the ODA budget to reach 0.5% of gross national income (GNI) by 2023.

Public support for development is high in Spain. According to the latest Eurobarometer (European Commission, 2021<sup>[3]</sup>), 94% of respondents in Spain say it is important for the European Union (EU) to partner with other countries and territories to reduce poverty around the world. This is much higher than the EU average of 88%, making Spain's public support the third-highest of all EU Member States. The same ratio applies to views on the importance of tackling climate change. Almost three-quarters (73%) of respondents, the highest of all EU Member States, think tackling poverty in developing countries should be a priority for their national government. In Spain, the top concerns are health (45%), education (41%) and economic growth and employment (38%).

Figure 1. Spain's development co-operation architecture



Source: Author's illustration.

## Becoming fit for purpose: A renewed commitment to international co-operation requiring a comprehensive reform

### *Spain's inclusive development architecture is centred on the 2030 Agenda*

In 2018, Spain renewed its commitment to implementing the 2030 Agenda for Sustainable Development domestically and internationally, as reflected in its Action Plan for Implementation of the 2030 Agenda (MAUC, 2019<sup>[4]</sup>). The 1998 Law on International Co-operation for Development (Agencia Estatal Boletín Oficial del Estado, 1998<sup>[2]</sup>) and successive master plans<sup>1</sup> provide the formal rationale and regulatory framework for development co-operation. In 2018, Spain's government committed to update this framework to make international co-operation a state policy and use it as a lever and catalyst to achieve the Sustainable Development Goals (SDGs) globally. As part of this commitment, Spain embarked on an

extensive reform of the overall governance architecture in order to ensure its development co-operation is fit for purpose. This reform is expected to encompass updating the law on development co-operation, agreeing on new priorities in the VIth Master Plan, defining new regulations and institutional structure, and increasing budget commitments.

**Increased consideration of development co-operation has revived Spain's efforts to dialogue and co-ordinate within its diverse development architecture.** Four ministries,<sup>2</sup> two public institutions, a public-private foundation,<sup>3</sup> autonomous communities and municipal governments are all actively engaged in international co-operation with their own policies and budgets (Figure 1 and Figure 2). Aiming to consolidate a shared understanding of international co-operation across government and society, Spain has reactivated its co-ordination bodies for government, decentralised co-operation and external partners,<sup>4</sup> giving fresh impetus to thematic and structural working groups (Box 1).

**This revived dialogue has enabled Spain to develop whole-of-government and whole-of-society approaches:** Spain can now speak with one voice on key challenges such as debt forgiveness and COVID recovery. A shared government vision is also evident in the bilateral portfolio. As seen during a virtual mission in Colombia, there is a shared understanding of development objectives throughout the embassy. The ambassador uses his political position to advance the development and peace agenda in priority regions, while the education and trade counsellors work with the technical co-operation office of the Spanish Agency for Development Co-operation (AECID) to identify Colombia's needs and encourage private sector development.

### Box 1. The Development Co-operation Council: Reviving multi-stakeholder co-ordination

Strong, inclusive and integrated partnerships at all levels are critical for implementing the 2030 Agenda. But to be effective, they also need to steer policy towards shared objectives. Spain has a long tradition of inclusive partnerships, notably through the Development Co-operation Council, set up in 2012, to define the international development co-operation policy. From its launch, the council has been broad-based and inclusive, including representatives from non-government organisations, academia, the private sector and public institutions. Even so, the council could have been used more effectively for consultation and to inform decision making, as noted in the 2016 peer review (OECD, 2016<sup>[5]</sup>).

The members of the Development Co-operation Council have made efforts to revive dialogue and co-ordination in recent years. These efforts have included:

- Improving annual communication, using qualitative analysis and providing a comprehensive picture of financial flows and resources from all Spanish institutions and instruments related to official development assistance (ODA) and total official support for sustainable development (TOSSD) and how they align with the SDGs.
- Reactivating “special purpose groups” dedicated to issues such as gender equality, children's rights and education for development, or broader issues such as the 2030 Agenda and the institutional reform of Spain's development architecture.
- Forming ad-hoc groups with the other two advisory bodies, the Inter-territorial and Inter-ministerial Commissions for Development Co-operation, to discuss concrete action plans and strategies on issues such as COVID-19 recovery or development effectiveness.

These efforts have contributed to a shared understanding of the key challenges facing Spain's development co-operation, and a sense of ownership of its overall vision. A concrete product of this revived dialogue is the Spanish Co-operation Joint Response Strategy to the COVID-19 Crisis (MAUC, 2020<sup>[6]</sup>), which presents Spain's whole-of-society response to the pandemic. Members of the council

have welcomed the constructive discussions and the inclusive approach that led to strong ownership of the strategy.

A number of lessons can be drawn from this experience:

- Active engagement by all ministries involved in development co-operation, not just the Ministry of Foreign Affairs, European Union and Co-operation (MAUC), contributes to a whole-of-government approach.
- The timing of communication and consultation is key and must be planned ahead of decisions so members of the council can not only provide informed advice to the central administration but also contribute to successive versions of a strategy.
- Its independent agenda has helped the council to be proactive, including on themes not necessarily on the radar of the central administration.

Spain is now planning to develop a similar approach with the Inter-territorial Commission for Development Co-operation to strengthen co-ordination with decentralised co-operation actors.

Note: This practice is documented in more detail in Development Co-operation TIPs: Tools Insights Practices platform at [www.oecd.org/development-cooperation-learning](http://www.oecd.org/development-cooperation-learning).

Sources: MAUC (2020<sup>[6]</sup>) *Estrategia de Respuesta Conjunta de la Cooperación Española a la Crisis del COVID-19: Afrontando la Crisis para una Recuperación Transformadora* [Joint Response Strategy of the Spanish Cooperation to the COVID-19 Crisis]

[http://www.cooperacionespanola.es/sites/default/files/estrategia\\_de\\_respuesta\\_conjunta\\_de\\_la\\_cooperacion\\_espanola\\_covid19.pdf](http://www.cooperacionespanola.es/sites/default/files/estrategia_de_respuesta_conjunta_de_la_cooperacion_espanola_covid19.pdf);

OECD (2016<sup>[5]</sup>), *OECD Development Co-operation Peer Reviews: Spain 2016*, <https://dx.doi.org/10.1787/9789264251175-en>.

### ***The consolidated vision has not led to an integrated strategy***

**In theory, the Ministry of Foreign Affairs, European Union, and Co-operation (MAUC) is the point of leadership for development co-operation and humanitarian assistance.** The State Secretariat for International Co-operation (SECI), together with the General Directorate for Sustainable Development Policies (DGPOLDES), are in charge of drafting, monitoring and evaluating Spain's international development co-operation and co-ordinating with decentralised co-operation. SECI's steering role is facilitated by its presence on the governance of AECID, and in the boards of the International and Ibero-American Foundation for Administration and Public Policies (Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas - FIIAPP) and the Fundación Carolina.<sup>5</sup>

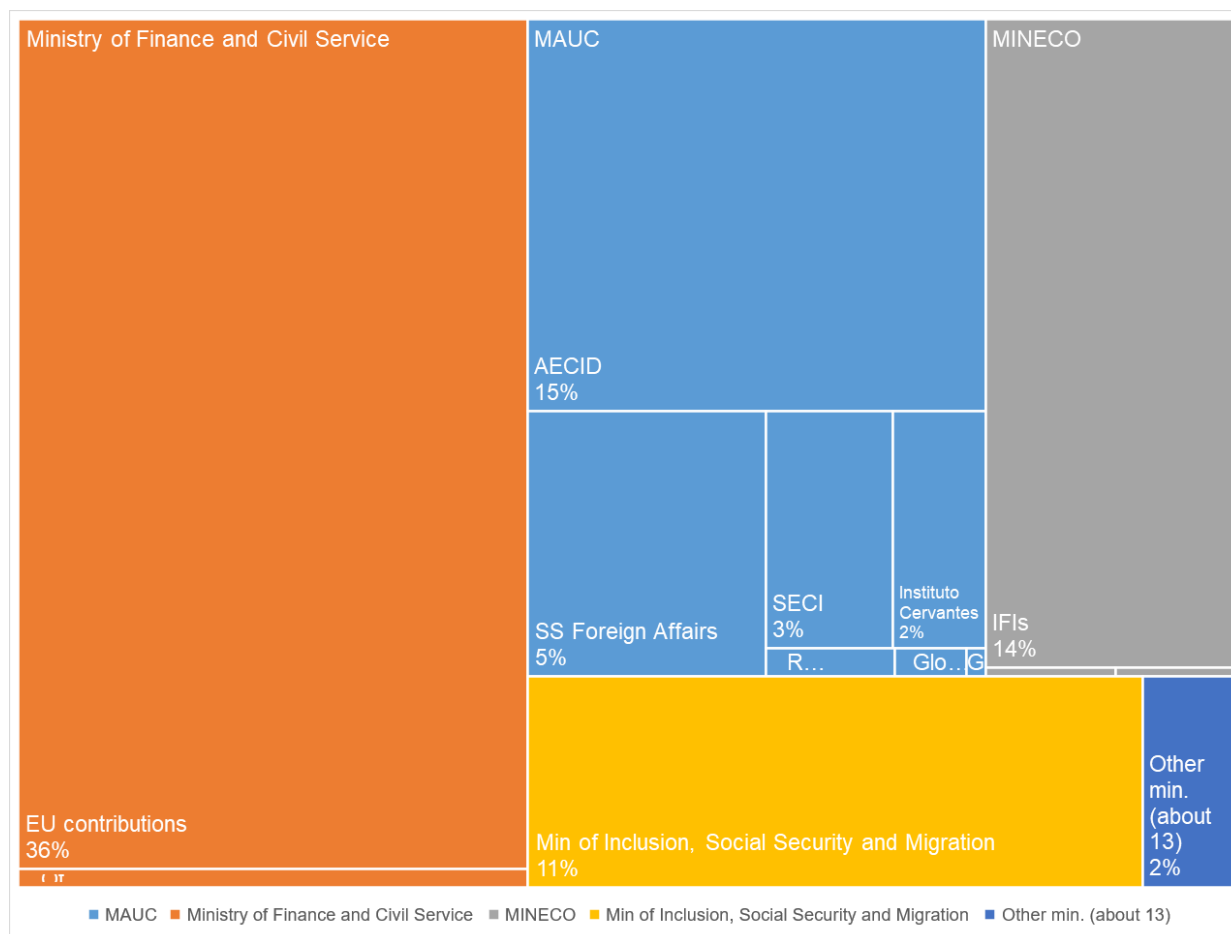
**In practice, the system was centred on a Secretariat of State with limited political weight** and that was in charge of Latin America in addition to development co-operation until 2020 (Development Co-operation Council, 2020<sup>[7]</sup>). A Secretariat with political weight is crucial in Spain's context, given that MAUC is only directly in charge of a limited share of the development co-operation budget. Indeed, after continual decreases in the ODA budget over 2010-15, Spain's development co-operation mainly comprises assessed contributions to the EU and other multilateral institutions, leaving MAUC directly in charge of only 25% of ODA (Figure 2).

**As a consequence, and despite co-ordination efforts, MAUC has not been fully able to lead in creating a sense of unity or maintaining coherence across the system.** SECI's mandate tends to facilitate dialogue rather than decisions, and the ministry's role in co-ordinating development policy with strategic foreign policy objectives remains limited. An indication of this lack of a systemic approach is the fact that successive master plans have not been used as roadmaps by all actors despite being drafted through inclusive consultations. For instance, the three institutions engaged in technical co-operation – FIIAPP, Fundación Carolina and AECID – have their own strategies and thematic and geographical scope and they allocate their budgets accordingly. The diverse ministries engaged in development co-operation have each created their own mechanisms in accordance with their sectoral mandates. While some

co-ordination occurs locally through partnership frameworks (*marcos de asociación país* or MAPs),<sup>6</sup> AECID's technical co-operation offices based abroad are not necessarily equipped to fully engage with partners and rely on the good will of partners and informal exchanges (see Designing and engaging in horizontal and inclusive partnerships).

**Figure 2. MAUC has direct responsibility for only a limited share of the ODA budget**

Share of planned ODA budget by institutions, 2021



Note: Estimated budgets for FONPRODE and FCAS were imputed to AECID instead of SECI in this figure to reflect the fact that AECID is in charge of implementing these funds.

Source: MAUC (2020<sup>[8]</sup>), *Informe Ayuda Oficial al Desarrollo, Presupuestos Generales del Estado 2021 [Official Development Assistance Report, 2021 State Budget]*. [http://www.congreso.es/docu/pge2021/121-35-3\\_Ayuda\\_Oficial\\_al\\_Development\\_de\\_la\\_AGE.pdf](http://www.congreso.es/docu/pge2021/121-35-3_Ayuda_Oficial_al_Development_de_la_AGE.pdf).

StatLink  <https://stat.link/c59i21>

**Spain's current approach of intense consultations over a limited development co-operation budget can affect the efficiency of its support in partner countries and territories.** Furthermore, semi-independent partners, decentralised policies and funding decisions can make it challenging to bring the broader Spanish co-operation under one umbrella to make the most of a limited budget. However, the partnership frameworks have succeeded in providing an overview of Spanish co-operation in a given country or territory (see Designing and engaging in horizontal and inclusive partnerships). Labour-intensive consultations can help identify areas to scale up in the future, but achieving results with the very limited financial and human resources available has likely damaged staff morale in recent years. Better identifying

complementarities between partners and instruments could help design more focused and integrated master plans and MAPs and build synergies. This could be informed by the progress made when mapping Spain's contribution to the SDGs, and by current efforts to systematise data collection and results monitoring around shared indicators.

**Challenges with developing an integrated strategy are also affecting the quality of Spain's partnership with multilateral organisations.** Spain sees multilateral organisations as key partners for addressing global challenges and leveraging bilateral support in Latin America and Africa. While Spain engages with them through high-level policy commitments and technical work to advance collective debates on issues such as debt, climate and development finance, the effectiveness of its engagement is limited by the lack of central co-ordination on policies and standards. What is discussed in multilateral boards is not necessarily relayed to MAUC; nor does it trickle down to embassies. The forthcoming multilateral strategy is an opportunity to 1) develop a more focused approach, at least when it comes to dealing with the same multilateral entity; 2) help meet Spain's UN Funding Compact agreements (United Nations, 2019<sup>[9]</sup>); and 3) leverage further its non-regional membership of the African Development Bank to help inform its new bilateral focus on Africa, and of the Inter-American Development Bank to advance work on water and sanitation.

**SECI's new dedicated role for development co-operation could help re-build political leadership and ensure high-level visibility of Spanish development co-operation in international fora.** However, high-level visibility will not be enough. Spain's rethinking of its overall development co-operation architecture raises opportunities to clarify the roles and mandates of SECI in relation to AECID and other ministries over political steering, policy planning and implementation through alliances.<sup>7</sup> It could also streamline decision making, accountability and administrative management by pooling resources between the cabinet, DGPODES and AECID (including staffing<sup>8</sup>); leverage synergies across channels, instruments and institutions; and clarify each institution's specific value added. Emphasising SECI's new role would also help to create whole-of-government policy and positions, further pursue policy coherence for development, ensure a coherent approach to multilateral contributions and comprehensive reporting on TOSSD. This would give Spain even more influence in advancing its priorities on various governing boards.

**The government's commitment to increasing the ODA budget could improve the influence of SECI and DGPODES.** Spain did not meet its national commitment to achieve a 0.4% ODA/GNI ratio by 2020. Strong political coalescence around a shared vision, along with a strategic roadmap and annual forecasts of ODA budgets increases to meet the new ODA/GNI ratio, would help Spain reach 0.5% ODA/GNI by 2023, the end of the current legislative period.

## Recommendations

1. **Strengthen SECI's leading and convening role in the development co-operation system**, building on its dedicated international co-operation mandate, to reinforce inter-ministerial co-ordination and further pursue policy coherence for development. Spain should also **continue to clarify the division of labour** between MAUC and AECID, in particular over strategic planning and budgeting, alliance building and managing multilateral contributions.
2. **Develop an integrated strategy** that identifies how Spain's various instruments, co-operation entities, as well as regional and local approaches, could complement each other better, enhance synergies and collaboration among actors, and make the most of this diverse system to:
  - steer collective action and results in countries and territories
  - further focus the Master Plan under shared priorities
  - and create more systematic links between its financial and technical co-operation.



3. **Establish a roadmap with annual forecasts of ODA budgets** to achieve the international commitment of spending 0.7% of its GNI as ODA, as well as its national interim milestones in line with the upcoming Master Plan.

### ***Human resources policies hold back long-term, quality development co-operation***

**Human resources policies that are not linked to strategic objectives affect organisational performance and staff motivation**, as already observed by previous peer reviews. One of the key challenges is the split between the layers of generalists and diplomatic staff in Spain, and development experts based abroad with limited opportunities to work in Madrid. Such dual career tracks have a direct impact on staff morale and limit their ability to produce and share internal knowledge and strengthen the overall expertise of Spanish development co-operation in headquarters and technical co-operation offices.

**The lack of a development career path within Spain's development co-operation architecture, limited rotation between headquarters and technical co-operation offices, and poor terms and conditions of contracts reduce Spain's ability to attract and retain talent.** The use of short-term contracts of shorter duration than the life of development co-operation projects can also create inefficiencies in project management and limit knowledge building. At the partner level, current practices for recruiting local staff do not make the most of the local talent pool, as local staff can only hold support functions and cannot be responsible for project or programme management.

As Spain engages in an institutional reform that includes revising the status of AECID, **there is an opportunity to rethink the split between staff based in Spain and abroad and to identify what skills are needed across the system to deliver on Spain's ambition.** Revising legal labour statutes, terms and conditions, and streamlining the type of contracts for staff working with the agency would boost morale and improve Spain's ability to attract and retain talent. Including local staff in the current inclusive staff brainstorming exercise on the agency they want could provide interesting perspectives, show their inputs are valued, and improve motivation.

## Recommendation

4. **Accelerate efforts to update human resources policies** across the development co-operation system, in order to:
  - ensure the number and composition of staff at all levels and in all institutions enable each institution to fulfil its mandate
  - create a development career path that breaks the divide between Madrid and technical co-operation offices
  - improve terms and conditions to retain talent, including for expatriated staff
  - create a more important role for locally engaged staff.

### ***Compliance-based central management undermines flexible implementation and strategic focus***

**A number of laws and regulations impede the flexibility, predictability and accountability of the development programme.** The regulations, procedures and ability to provide multi-year funding vary by instrument, including instruments that are directly managed by AECID. This complex regulatory framework also limits the ability of the agency to better link its different tools – such as technical co-operation, grants and loans – to achieve a shared purpose (see Mobilising public sector expertise for building and sharing

knowledge and Leveraging development finance). Reforming this regulatory framework will be critical for Spain to be able to properly mobilise all the instruments at its disposal and to be fit for purpose.

**Lengthy approval processes in multiple institutions and committees have delayed the implementation of the development co-operation and humanitarian programme,**<sup>9</sup> especially the operations executed by the Development Promotion Fund, FONPRODE (see Leveraging development finance). Strict procurement procedures with limited flexibility and thresholds make it difficult for Spain to adjust to country contexts – especially in complex operational environments where contextual changes can be drastic and require quick intervention. Such procedures also impact Spain’s ability to fully apply the development effectiveness agenda, including the use of partner country public financial reporting systems.<sup>10</sup> As observed in Colombia, the lack of detailed guidance on administrative processes and the plethora of protocols tailored differently to each instrument is increasing the administrative burden and reducing the efficiency of technical co-operation offices. Local efforts to develop manuals and guidance to assist staff in managing projects and risks is helping to compensate for these challenges though.

**Regulations for grants and subsidies provided by Spain are also onerous and reduce the quality of partnerships.** As observed during the previous peer review (OECD, 2016<sup>[5]</sup>), screening processes, funding mechanisms and accountability measures focused on inputs and outputs rather than outcomes place an excessive administrative burden on all parties. According to the Law, Royal Decree and Ministerial Order on subsidies and grants, beneficiaries – including states, non-government and international organisations – must refund any amounts not used, including interest. The process of dealing with reimbursements of what are generally quite small sums of money strains AECID’s already limited human resources, creating severe management problems. Perhaps the greater risk, however, is that it undermines Spain’s reputation as a reliable development partner (see Leveraging development finance).

**While Spain is committed to managing risks within its operations, strong emphasis on fiduciary risk and controls may overshadow other dimensions of risk management and quality assurance at the expense of development impact, especially in fragile contexts.** As AECID in Madrid is developing new guidance on risk management, there is an opportunity to build on good practices from technical co-operation offices, to expand the focus from fiduciary risks to a more structured approach to managing corruption risks, recognising political and power-related risks as potential drivers of corruption and to ensure a more systematic and comprehensive approach across interventions. Further, the recent introduction of formal whistle-blower reporting mechanisms in Madrid has not always filtered down to technical co-operation offices. These reporting mechanisms would likely benefit from accompanying communication measures, the setting up of focal points to discuss integrity and corruption-related issues, and efforts to better support those uncovering and reporting cases. The result would be stronger management of corruption risks in Spain’s operations.

**Limited systematic institutional learning further challenges strategic steering across the system.** Recognising this important challenge, Spanish co-operation has set up an Inter-institutional Committee for the Co-ordination and Monitoring of the Transparency, Communication and Knowledge Management Programme,<sup>11</sup> in addition to internal efforts in each institution. Over the years, Spain has supported institutional collaboration and networks for sectoral experts, but the dynamism of these networks has varied, as has the support they have received from the successive executive teams. These initiatives are not structured around a shared strategic vision that would support the systematic use of knowledge for strategic steering. For instance, the impressive effort to report all of Spain’s contributions to the SDGs<sup>12</sup> is an ad-hoc exercise, building on comparable indicators developed by each implementing partner at output level, and they are not yet used for planning.

## Recommendations

5. **Bring the regulatory framework and administrative systems into line with the long-term ambitions** of development co-operation to enable sustained but flexible support, speed-up procurement, reduce the administrative burden and improve flexibility and the quality of partnerships.
6. **Continue to develop and disseminate risk management guidance** to make it fully operational at project and programme level and support staff in prioritising the management of risk based on context to improve programme delivery.
7. **Strengthen institutional learning** emerging from technical co-operation, the results of programming across ministries and entities, as well as the experience of technical co-operation offices and **build stable and robust systems for knowledge management**.

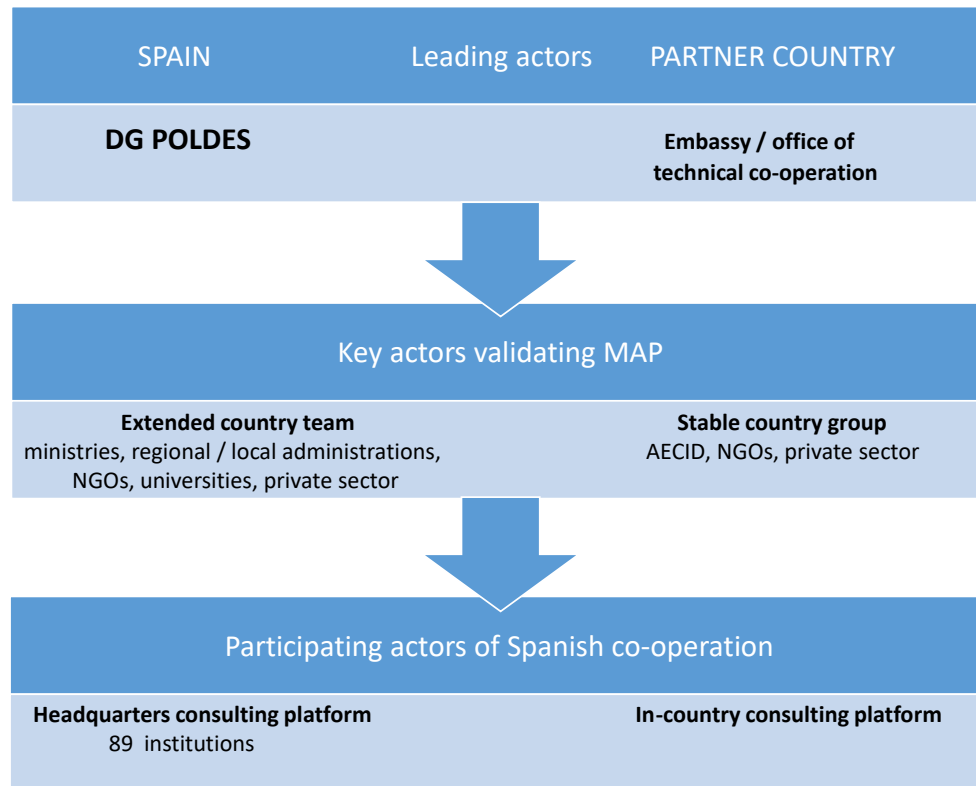
### Designing and engaging in horizontal and inclusive partnerships

#### ***Bilateral partnership frameworks are an excellent example of a bottom-up, participatory approach, in Spain and in partner countries and territories***

**Bilateral partnership frameworks (MAPs) are multi-annual (typically four years) instruments that set out how the partnership between Spain and a partner country or territory can contribute to sustainable development.** The MAP<sup>13</sup> establishes a common framework for consulting with and forging partnerships involving all actors and instruments funded by Spanish ODA. Spain is currently piloting the inclusion of TOSSD in MAPs.<sup>14</sup> Consultations to develop MAPs are held both in Spain and in partner countries and territories (Figure 3).<sup>15</sup> When it comes to the individual partnership frameworks, a subset of the 89 actors involved in the Platform for Consultation at Headquarters participates in extended country teams in Spain. The extended country team for the Colombia MAP was the most participatory of any recent country framework and involved 31 institutions. The extended country team validates the MAP once it is agreed with national stakeholders and both government parties sign the final document.

**Spanish co-operation cultivates an open and transparent process focused on alignment, ownership and alliances.** Starting with the Vth Master Plan, a new generation of MAPs has been developed that are fully aligned with the 2030 Agenda. National and sectoral plans are the starting point for designing new MAPs and the timeline for approving a MAP is flexible so that it can align to national planning cycles. A “stable country group” meets regularly in the partner country – not just when developing the MAP (Figure 3). Two commissions also meet regularly – one at the strategic level, and the other at a technical level – and involve partner country government officials, the embassy and the technical co-operation office. Mixed working groups include local civil society and other stakeholders and are set up when needed for specific sectors or areas. Once a MAP is in place, the technical co-operation office relies on the alliances it has established with different stakeholders to implement programmes, and is responsible for ensuring the alignment of bilateral funding. For example, the technical co-operation office assesses all project proposals from civil society organisations (CSOs) located in Spain against criteria for MAP alignment and local needs; this office also applies for horizontal funds managed by AECID in Madrid, but is not directly involved in FONPRODE programming. Spain and partner countries co-finance various programmes, which is a common feature of Spanish co-operation, helping to ensure that programmes are well-adapted and fully owned by local stakeholders.

Figure 3. Spain's participatory process for designing and monitoring MAPs involves all actors



Source: Authors' own illustration based on presentation by AECID to peer review team

**Stakeholders consistently appreciate the MAP process and the trust it builds, seeing this as critical to the success of Spanish development co-operation.** The continuous dialogue between partner country and the Spanish authorities on the ground shows how Spanish co-operation is as much about networks, knowledge and expertise as it is about financial resources. The fact that Spanish co-operation offers a strong localised agenda, working at the community level and with local NGOs, while at the same time providing technical and financial co-operation at the regional and national levels, means that Spain is able to communicate a wide range of needs, encourage political dialogue and amplify voices that may not otherwise be heard. Spain's credibility in Colombia is bolstered by the experience and expertise of its own autonomous communities and municipalities in delivering messages and implementing programmes. For example, parliamentarians and civil society from the Catalonia region and the city of Barcelona were able to meet directly with local authorities in Colombia and speak from experience about how important it was for Colombia to restore dialogue, address human rights, and make the peace process a political priority.<sup>16</sup> As a result, the 2020-24 MAP was able to retain a focus on human rights.

**Partner countries and territories see Spain's value added as a trusted partner that listens and does its best to be flexible in its programming within the limits of regulations.** The continuous dialogue between local authorities and Spanish co-operation through the embassy and the technical office is instrumental for maintaining a flexible approach that can adapt to the different requests and needs of stakeholders. Initial evidence suggests that this participatory, horizontal and egalitarian approach also holds true even outside of Latin America and the Caribbean (a region where Spain's commercial, cultural and historical interests dwarf its development co-operation), demonstrating how ingrained this way of doing business is for Spanish co-operation. Partners also value Spain's expertise in human rights, gender, decentralised co-operation and cultural diversity, and its use of this expertise in its programming to reach

the more marginalised and vulnerable (Box 2). The trust Spain has built with partners in these areas is reflected in the priority SDGs in the current MAPs: gender equality (SDG 5); clean water and sanitation (SDG 6); peace, justice and strong institutions (SDG 16); and sustainable cities and communities (SDG 11).

### Box 2. Reaching Colombia's most vulnerable through cultural preservation, support to migrants and training

About 9% of Colombia's population are Afro-descendants and 4.4% indigenous. These groups represent close to half of the 9 million victims of conflict forcibly displaced since 1985. They experience higher multidimensional poverty, exacerbated by the COVID pandemic and social movements. Youth are especially affected by violence, exclusion and poverty, and an important number of displaced and out-of-school youth are recruited by armed groups. Moreover, since 2015, 1.73 million Venezuelan refugees have crossed the border, creating another potentially marginalised group (MAUC, 2021<sup>[10]</sup>).

Resolving the income, health and educational disparities of the Colombian population is foremost in Spain's Colombia Country Partnership Framework, 2020-24 (its MAP) (MAUC, 2021<sup>[10]</sup>). Spain's co-operation is focused on two regions along the Pacific coast (Nariño and Chocó) whose populations are most affected by violence and poverty and who are part of the Colombian Government's Programas de Desarrollo con Enfoque Territorial (PDET) – priority regions for territorial development. Building on its long experience of working for peace and integration, Spain invests in local social groups and civil society and the provision of basic services.

In 1992, AECID started the “*escuelas taller*”, or workshop school programme, which was scaled up to a national programme in 2009. It is based on a model used in Spain to train youth in trades related to cultural heritage (Box 5). At a deeper level, the schools aim to develop citizens who can work in harmonious conditions and serve as agents of change to instil a culture of peace (Programa Nacional de Escuelas Taller, 2016<sup>[11]</sup>). In addition to its support to priority regions and *escuelas taller*, Spain leverages additional financial co-operation to reach the most vulnerable populations. Together with the Inter-American Development Bank, AECID recently signed an agreement with the municipality of Barranquilla, which has recently welcomed 140 000 Venezuelan migrants and refugees (IDB, 2021<sup>[12]</sup>). Under this agreement, Spain committed a EUR 45 million loan (reimbursable finance) from FONPRODE, backed by a sovereign guarantee from Colombia, and a EUR 5 million grant to finance environmental projects and help migrants access urban services (AECID, 2021<sup>[13]</sup>).

Weak institutions mean that Spain, like other partners, has worked with local and co-ordinating entities to manage resources from Spain, and from the EU Trust Fund for Peace in Colombia delegated to Spanish co-operation. Stakeholders cite challenges in managing resources, such as lengthy processes, procedures that are ill-adapted to local conditions and the fact that those who make decisions are not in the territory for the entire implementation cycle. AECID works flexibly to find solutions related to its grassroots support and the mostly informal economy on the ground on the one hand, and the lack of adapted guidance or manuals from Madrid on the other. Resolving such challenges is largely ad hoc, and lessons learned are not systematically shared across the system (Kalidadea, 2015<sup>[14]</sup>).

Sources: AECID (2021<sup>[13]</sup>), *La AECID contribuirá a la integración de los migrantes y refugiados venezolanos en Colombia a través de su cooperación financiera* [AECID contributes to the integration of Venezuelan migrants and refugees in Colombia], [http://www.aecid.es/ES/Paginas/Sala%20de%20Prensa/Noticias/2021/2021\\_07/08\\_barranquilla.aspx](http://www.aecid.es/ES/Paginas/Sala%20de%20Prensa/Noticias/2021/2021_07/08_barranquilla.aspx)

IDB (2021<sup>[12]</sup>) “IDB To Approve \$1.25 Billion in Operations for Colombia in 2021” [www.iadb.org/en/news/idb-approve-125-billion-operations-colombia-2021](http://www.iadb.org/en/news/idb-approve-125-billion-operations-colombia-2021)

Kalidadea (2015<sup>[14]</sup>), *Evaluación intermedia del proyecto: Unidad de gestión del Programa Nacional Escuelas Taller de Colombia - herramientas de paz en Colombia* [Midterm evaluation of the project on management unit of the National Workshop Schools Program of Colombia] [www.cooperacionspanola.es/sites/default/files/evaluacion\\_intermedia\\_escuela\\_taller\\_colombia.pdf](http://www.cooperacionspanola.es/sites/default/files/evaluacion_intermedia_escuela_taller_colombia.pdf)

MAUC (2021<sup>[10]</sup>) Marco de Asociación País Colombia - España 2020-2024 [Country partnership framework Colombia-Spain 2020-2024] <https://www.aecid.org.co/index.php?idcategoria=2464>  
 Programa Nacional de Escuelas Taller (2016<sup>[11]</sup>), *Caja de Herramientas - Cultura de Paz* [Toolkit for the Culture of Peace] [www.aecid.org.co/recursos\\_user/Final%20-%20Caja%20de%20herramientas.pdf](http://www.aecid.org.co/recursos_user/Final%20-%20Caja%20de%20herramientas.pdf)

### ***The MAPs are comprehensive strategies covering all Spanish instruments and modalities***

**The MAPs list instruments and modalities to give an overview of potential investments over the period.** Spain's development co-operation instruments include bilateral support in the form of scholarships, technical and financial co-operation, thematic funds, and multilateral support. Different modalities – reimbursable finance (loans); public-private partnerships (PPPs); support to NGOs; triangular co-operation; and innovation funds – are all identified in the MAPs. A new section on risks and programming in the MAP identifies both internal risks (linked to the MAP process) and external risks (political, institutional, social, economic and environmental). There is clear political interest by Spain and partners alike to involve more local and Spanish private sector actors in the design and consultation process for MAPs and country programmes. So far, this has not materialised into concrete public-private partnership (PPP) investments on the ground, although it is clear that Spain's commercial and development networks can and do overlap, as seen in Colombia with TECNICAFFE (see Leveraging development finance).

**Spain has made great strides in including decentralised co-operation in the MAP**, as recommended in the previous peer review (Annex A). For the first time in Colombia, the design of the 2020-24 MAP directly involved Spanish decentralised authorities in the technical and mixed group country commissions. This initiative of the technical co-operation office in Bogotá was important given that autonomous communities and municipalities directly fund programmes in Colombia and that there were likely to be synergies with other programming that would be less evident from the conversations in Madrid. Although a methodology manual issued by DGPODES helps guide and co-ordinate the participation of different actors, the process relies on the good will and informal exchange of the various actors involved. It is thus unsurprising that the intensive MAP process relies so much on the quality and dedication of AECID officials in each technical co-operation office. The quality of human resources in technical co-operation offices is clearly perceived as a strength of Spanish co-operation, despite the limited number of technical experts in some offices – a point that would merit further reflection in the context of the comprehensive reform (see *Becoming fit for purpose: A renewed commitment to international co-operation requiring a comprehensive reform*).

**Spain places particular emphasis on EU joint programming and the MAPs include a section on how to leverage the development co-operation of EU member states and institutions.** The MAP design process is labour intensive;<sup>17</sup> it makes sense for other partners to build on the results of these consultations and each other's strengths in designing EU joint programming. Partner governments in Latin America and the Caribbean have also come to see Spain as a bridge to EU co-operation, and rely on Spain to help determine how they can get the most out of the various EU instruments. This may be due to the fact that Spain implements a large share of EU delegated co-operation and because there is often close alignment between Spanish and EU co-operation strategies, but also because Spain and the EU co-finance a large number of programmes. It would also be important to see how extended country teams in Madrid liaise with Brussels to leverage Spanish and EU co-operation.

### ***Diverse partnerships can make focused and predictable programmes more challenging***

**Spain's participatory approach to programming, being fully adapted to the local context and priorities, can make prioritising challenging.** In preparing future MAPs, stakeholders usually reflect on how to narrow the scope of Spain's actions. For example, a review of Colombia's previous MAP notes that actors and actions were dispersed across 786 projects in the period 2015-19 for a total development co-operation programme worth EUR 69.5 million. It suggests that Spanish co-operation would benefit from a more integrated approach (LPIC, 2019<sup>[15]</sup>). The process of MAP development, budget cuts in recent years, and fragmented decision making (see below) can result in a large catalogue of relatively small projects and programmes. Interviewees also point out that commitments carried over from previous years because of delays can make a fragmented portfolio almost inevitable despite the best efforts to focus. Aligning closely with the peace process in Colombia and defining geographical areas of concentration are ways Spain has succeeded in better focusing its programme in that country (Box 5).

**MAPs represent political commitment on the part of Spain and its partners, but funding is short term.** The four or five-year country strategies have to reconcile the fact that budgeting is only done annually, leaving future funding unpredictable. While there are creative solutions to the lack of multi-year programming,<sup>18</sup> their use is rare. Other than multi-year programming, Spanish co-operation also relies heavily on calls for proposals to allocate non-reimbursable funding (grants), for which demand often exceeds supply, especially for CSO funding. **Introducing procedures for long-term support would help address this challenge (Recommendation 5).**

**Spain's medium-term predictability remains well below the DAC average** according to the Global Partnership for Effective Development Co-operation monitoring report (OECD/UNDP, 2019<sup>[16]</sup>). Significant ODA budget cuts, annual budgeting process, and decisions made by different actors in different places at different times are all reasons for the lack of predictable resources in the last decade. Co-financing with other bilateral and multilateral partners has helped Spain secure some longer-term funding that can lead to more structural change. The fact that the extended country team in Madrid is fully involved in the design and approval of the MAP at least makes Spain's commitments to specific outcomes public, and helps to make sure that Spain delivers on its partnership agreement as much as possible.

**Although various Spanish co-operation actors view the MAP priorities as a comprehensive vision for Spain's engagement in a country or territory, they do not necessarily feel bound by it in pursuing their activities.** Despite aligning with MAP priorities, civil society actors generally feel that the MAP embodies more of a government-to-government commitment that does not necessarily drive their activities. The participation of a broad group of stakeholders, such as NGOs, in MAP consultations may stem more from a strong commitment to engaging with AECID rather than to the MAP itself.

**While the technical co-operation office is responsible for the development of the MAP, in practice it cannot oversee all programmes in a country or territory.** In addition, financial or technical co-operation from FONPRODE or the Co-operation Fund for Water and Sanitation (FCAS) is rarely initiated through the technical co-operation office and is often outside of MAP planning. It is difficult to imagine that the current configuration of the technical co-operation office – with its relatively small country team – would be able to ensure the coherence and integrity of the MAP even if it did make all programming decisions. A significant portion of the budget for Spanish and decentralised co-operation funding is based on calls for proposals for civil society, thematic funds allocated across partners based on proposals, scholarships and financial co-operation – all largely managed by processes in Spain. Furthermore, carryovers due to delays in delivering on past commitments may largely determine the areas and resources that the technical co-operation office has to prioritise even if they are not central to the current MAP. **Spain might consider a more integrated strategy approach to its development co-operation centred on shared priorities and linking technical and financial co-operation (Recommendation 2).**

### **Managing for results through the country partnership framework is still being perfected**

The new MAPs better reflect the results that Spain wants to achieve with all of its partners. The 2016 peer review recommended that Spain develop appropriate tools to monitor and analyse results (Annex A). This is still a work in progress. The new generation of MAPs includes a results framework based on the SDGs and national plans and sets out a results framework that is negotiated and agreed by the partner and Spain through the technical committee. The results framework looks at two levels: (1) the partner country's own development results; and (2) intermediate results that link to the MAP (Table 1). Project performance or output level indicators are disaggregated by sex, geography and ethnicity for internal accountability and link to intermediate results, but are not included in the MAP logframe. In a separate table, the framework clearly identifies the roles of different actors in leading, participating or contributing to each intermediate result.

**Table 1. Sample results framework: Colombia's MAP**

SDGs		Priorities defined by Colombia			Priorities of Spanish Co-operation	
Main SDG	Secondary SDG	National strategy or development plan	Thematic priorities in the National Strategy for Cooperation (ENCI)	Development results	Priority actions of the V Master Plan of Spanish Co-operation (2018-21)	Intermediate results from the Colombia MAP
<b>SDG 1:</b> End poverty in all its forms everywhere Targets 1.1, 1.2, 1.3, and 1.6	<b>SDG 3:</b> Ensure healthy lives and promote well-being for all at all ages <b>SDG 5:</b> Achieve gender equality and empower all women and girls <b>SDG 10:</b> Reduce inequality within and among countries	III. Equity B. Quality, efficient and sustainable health for all  XV. Public management, A. Transformation of the public administration	E. Migratory phenomenon	Colombian institutions are strengthened to serve Venezuelan migrant populations, returnees and host communities	<b>Goal 1.3.</b> Implement systems and appropriate social protection measures. <b>Goal 3.2.</b> Strengthen the health system for emergency preparedness and response <b>Goal 3.3.</b> Strengthen access to reproductive and sexual health	Venezuelan migrant population, Colombian returnees and host communities in vulnerable situations can access quality health services, food safety and nutrition, as well as living conditions and cash transfers in municipalities and localities prioritised by the national government

Source: AECID (2021<sup>[10]</sup>), *Marco de Asociación País Colombia - España 2020-2024* [Country Partnership Framework Colombia – Spain 2020-2024]

[www.aecid.org.co/recursos\\_user/documentos/2021%20docs/Marco%20de%20asociacion%20pais%20Colombia%20Espana%202020%2024.pdf](http://www.aecid.org.co/recursos_user/documentos/2021%20docs/Marco%20de%20asociacion%20pais%20Colombia%20Espana%202020%2024.pdf)

The new MAPs are reviewed annually for accountability, which helps programmes to adapt. The MAP process now includes annual monitoring at the intermediate results level. The reports will be shared with all partners in the partner country technical commissions for accountability purposes. The diversity of Spanish co-operation actors across projects and programmes, each with their own monitoring and evaluation systems and implementing partners, can make it complex to consolidate and manage for results at a more strategic level and to inform decision making. Beyond reporting on progress made, it is unclear how MAUC or AECID are using this information in its decision making, or how well equipped it is to draw analysis from the data it collects.

**Capturing the results to which Spain contributes, but that are less easily measured, is a difficult challenge for all members** (see Mobilising public sector expertise for building and sharing knowledge). Yet, as seen in Colombia, Spain's support for systemic reform and peace by reinforcing legal and public policy while at the same time investing in smaller projects through CSOs has led to sustainable results in



the medium to long term. New tools are currently being developed in Madrid to help capture such results. Results frameworks are not consistent across countries and territories and it is currently difficult to identify standard indicators when there is no system in place to report such information. **Pursuing efforts to measure results locally could help inform future programme design at and beyond the country level and systematise lessons learned across Spanish co-operation (Recommendation 8).**

## Mobilising public sector expertise for building and sharing knowledge

### *Spain draws on public technical co-operation across its whole system*

**A key characteristic of Spain's development co-operation is its use of public sector expertise** to strengthen public administration capacities and reform public policies in partner countries and territories. The 1998 Law for International Co-operation establishes technical co-operation as the primary instrument for international co-operation (Agencia Estatal Boletín Oficial del Estado, 1998<sup>[21]</sup>). By building mutual trust, fostering dialogue and generating space for peer learning, public technical co-operation can inform effective public policies in partner countries and territories that drive inclusive and sustainable development.

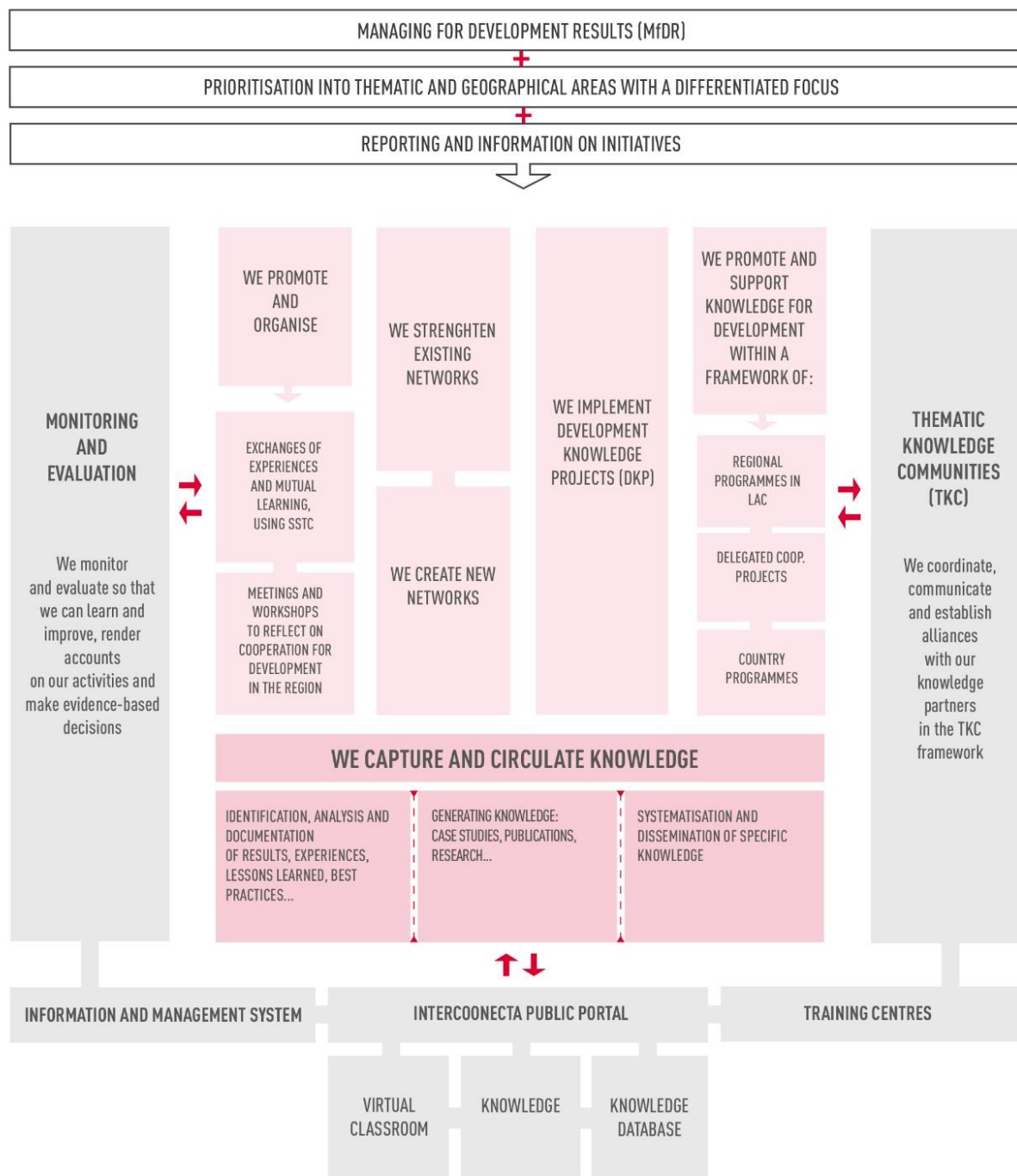
**This approach is developed both at the central and local level in Spain.** Spanish public administrations, including those of the autonomous communities and local entities, contribute knowledge and experience, while the Spanish co-operation agencies provide the methodologies required to obtain development results and to optimise management and accountability. To do so, Spain relies on two institutions with similar ways of working: (1) AECID, in charge of the INTERCOONECTA and COO-TEC (Programa Latinoamericano de Cooperación Técnica, or Latin American Technical Co-operation Programme) programmes, the former acting at the regional level and the latter bilaterally; and (2) FIIAPP (International and Ibero-American Foundation for Administration and Public Policies). Each is described in turn below.

**The INTERCOONECTA programme<sup>19</sup> aims to generate knowledge partnerships for development through learning and collaboration between civil servants in Latin America and the Caribbean.** The programme is carried out through a network of four regional training centres, each dedicated to specific themes relevant to the region (Figure 4).<sup>20</sup> Based on the needs identified by the training centres, Spanish public institutions develop training programmes in the form of seminars, workshops and meetings that are then delivered in the training centres either face-to-face or in a virtual classroom. AECID plans to mobilise its regional training centres and turn them into innovation hubs as a next step. In doing so, there are opportunities to work closely with the technical co-operation offices in the region to identify local innovations and innovators before scaling up these innovations in the region, including through triangular co-operation.

**INTERCOONECTA also supports AECID's horizontal programmes,<sup>21</sup> which mobilise technical assistance to facilitate knowledge sharing across the programme and build on complementarities when possible.** For instance, the COO-TEC programme works bilaterally to facilitate missions or consultancies by sending Spanish technical co-operation experts or partner officials on missions or consultancies in third countries.

**FIIAPP uses a similar methodology without mobilising AECID's training centres.** FIIAPP supports peer learning, capacity building and the exchange of knowledge, experiences and practices among public administrations to promote the design, implementation and evaluation of public policies and to build institutional capacities. Not being limited to geographies or themes identified in the master plans, FIIAPP mainly works on foreign policy priorities of the Spanish institutions. A characteristic of the foundation is that at regional and multi-country level, it implements EU delegated co-operation and twinning rather than Spain's bilateral programme.

Figure 4. The INTERCOONECTA model: How knowledge contributes to development results



Note: SSTC: South-South and triangular co-operation; LAC: Latin America and the Caribbean

Source: AECID (2016<sup>[17]</sup>), *INTERCOONECTA - The Spanish Cooperation Plan for Knowledge Transfer, Exchange and Management in Latin America and the Caribbean*, [www.aecid.es/Centro-Documentacion/Documentos/Divulgaci%C3%B3n/Planintercoonecta.pdf](http://www.aecid.es/Centro-Documentacion/Documentos/Divulgaci%C3%B3n/Planintercoonecta.pdf).

## **Peer-to-peer exchanges build lasting regional alliances and engage middle-income countries for achieving the SDGs**

**Peer learning approaches bringing local, regional and international perspectives to shared challenges have led to the creation of lasting networks and communities of practice, especially in the Ibero-America region.** Locally, thematic “*mesas país*” (country roundtables) facilitate knowledge sharing among partners through a whole-of-government approach by both development partners and partner countries and territories (Box 3). In Latin America, Spain has also fostered regional forums for mutual learning that address transnational or cross-border issues that are relevant to more than one country in the region.<sup>22</sup> Most of the networks that were initially created or supported by Spain, such as the Ibero-American Association of Public Ministries, are now self-supporting. The fact that these networks remained active during the COVID-19 pandemic is an illustration of their added value for participants. While durable networks are useful for sustainable knowledge exchange and production, they can also contribute to regional integration and regional advocacy. For instance, the Ibero-American Water Directors Conference (Conferencia de Directores Iberoamericanos del Agua) has mobilised two of its thematic networks dedicated to water and the environment to prepare shared positions for the 26<sup>th</sup> Conference of Parties (COP 26) on climate change.

**Peer approaches also facilitate engagement with middle-income countries (MICs).** The Vth Master Plan puts technical co-operation at the core of its differentiated strategy across the globe. Spain plans to use more technical co-operation and policy dialogue as countries and territories transition along the development continuum. Policy dialogue as well as South-South and triangular co-operation can advance MICs’ efforts to secure regional and global public goods.<sup>23</sup> Regional sectoral dialogues, in close co-ordination with EU programmes, have also facilitated advocacy work and the integration of complex issues such as gender, inequality, environment and policy coherence into public policies, especially in Latin America.

**As Spain increases its engagement in Africa, it can draw on its valued approach to public technical co-operation:** a horizontal relationship based on peer-to-peer dialogue, mutual trust, lasting networks of experts and policy makers designed around shared needs, and the expertise of specialised administrations that can provide technical support.

### **Box 3. *Mesas país*: Building solutions across governments and countries**

The integrated economic, social and environmental pillars of the 2030 Agenda require various parts of governments to work together to facilitate synergies, manage trade-offs, and avoid or minimise negative side effects when solving public development challenges, be they local, regional or global, single or multi-sector. While some countries and territories have set up some formal high-level co-ordination structures, these do not necessarily include all development partners and can lack the impetus to find sustainable solutions to shared challenges.

Under Eurosocial+ and other regional EU programmes in Latin America, the Ibero-American Foundation for Administration and Public Policies (FIIAPP) has developed a methodology to facilitate structured dialogue between peers on development challenges. These are known as the *mesas país* or country roundtables. The roundtables bring together representatives from the key public bodies from the partner governments, EU institutions and EU Member States to identify and then agree a work programme around shared priorities in a horizontal, multisectoral and participatory way to solve sectoral and multidimensional development challenges. This leads to a joint commitment by stakeholders towards common goals, which is in line with the ambitions of the more recent Team Europe approach.

*Mesas país* have been instrumental in the success of regional programmes – especially in tailoring them to country contexts. For instance, FIIAPP recently co-ordinated two **pilot experiences** with the

public administrations in **Costa Rica and Ecuador to discuss co-ordinated COVID-19 responses under the Team Europe Initiatives**. These structured dialogue mechanisms have helped partner countries and territories, as well as development partners, develop a co-ordinated and coherent response to local demands and needs and identify priorities for reform of local public policies and institutions.

Partners consider that a key success factor is engaging the right institutions from partner countries and territories and EU Member States in sectoral policy dialogue, along with the ministries involved in public technical co-operation. Peer-to-peer exchange has led to trust-based dialogue, improving the assessment of needs and expected results.

Notes: This practice is documented in more detail on Development Co-operation TIPs: Tools Insights Practices platform at [www.oecd.org/development-cooperation-learning](http://www.oecd.org/development-cooperation-learning). <sup>1</sup> The Team Europe concept was launched as part of the EU's global response to the COVID-19 pandemic in April 2020 to facilitate co-ordination among key partners. Team Europe Initiatives (TEIs) are joint activities by the EU, its Member States, and the European development finance institutions focused on a specific sector.

Sources: Di Ciommo and Sergejeff (2021<sup>[18]</sup>), *Getting up to Speed: The EU and the Development in Transition Agenda*, <https://ecdpm.org/wp-content/uploads/Getting-Up-To-Speed-EU-Development-In-Transition-Agenda-ECDPM-Discussion-Paper-302-2021.pdf>; Illan and Schneider (2019<sup>[19]</sup>), *Study on the EU and its Member States Mobilising Public Sector Expertise for Development - Final Report*, [www.dev-practitioners.eu/media/documents/Session\\_2\\_-\\_PSE\\_Study\\_Phase\\_1\\_0\\_compressed\\_1.pdf](http://www.dev-practitioners.eu/media/documents/Session_2_-_PSE_Study_Phase_1_0_compressed_1.pdf).

### ***Better integration of technical assistance could improve complementarity and strengthen internal knowledge***

**In some instances, Spain has been able to combine public technical co-operation and financial support in the same programme to first improve the strategic framework and then facilitate the provision of services.** For instance, this approach allowed the Co-operation Fund for Water and Sanitation (FCAS) to help the Plurinational State of Bolivia (hereafter “Bolivia”) reform its national plans and strategies to better integrate environmental, drought and urban drainage management components in its planning and to provide such services in peri-urban areas (MAUC, 2017<sup>[20]</sup>).

**This complementary approach is not systematic**, partly because the institutional set-up is considered too complex by some stakeholders (Development Co-operation Council, 2020<sup>[7]</sup>). A variety of actors (FIIAPP, AECID, Fundación Carolina, autonomous communities and municipalities) contribute to the mobilisation of public sector expertise. Though they have similar ways of working, they have their own funding and priorities. FIIAPP, which mainly implements EU delegated co-operation and twinning, is not always part of the process of planning the country partnership frameworks (MAP). Even if it is consulted, it does not have to align its activities with those of the MAP and responds primarily to foreign policy priorities. **A more integrated approach centred on shared priorities and linking technical and financial co-operation would help address this (Recommendation 2).**

**There are also opportunities to better link bilateral and regional supports.** FIIAPP aims to create links between the national reform efforts and regional concertation through the EU regional programmes it manages. In addition, Spain's training centres in Latin America have a bilateral and a regional dimension. However, their activities are only co-ordinated with AECID's bilateral portfolio on an ad-hoc basis, despite efforts to increase synergies with the technical support provided through the COO-TEC programme (AECID, 2016<sup>[17]</sup>). In other words, training centres can work with the same local partners as those engaged in the bilateral portfolio without necessarily building on complementarities between programmes.

**In addition, procedures to mobilise public sector experts are complex** because of a lack of incentives for Spanish public administrations to identify and mobilise staff; limited co-ordination; limited access to public sector expertise from decentralised administrations; and lack of career incentives for civil servants to participate in development actions.

**Limited co-ordination between Spain's other development co-operation actors and the bilateral programme also reduces Spain's ability to transfer the know-how created through technical assistance to each institution in charge of development co-operation.** The wide dissemination of the knowledge products created under the various programmes and the recent efforts to build a shared knowledge platform are a first step. **An institutionalised and strategic approach to knowledge management within Spain's development co-operation (Recommendation 7) would accelerate these efforts** (see *Becoming fit for purpose: A renewed commitment to international co-operation requiring a comprehensive reform*).

### ***Spain does not fully capture how knowledge impacts development***

**Spain has made some effort to build a shared understanding among DGPODES, AECID and FIIAPP of how its public technical co-operation is contributing to development results.** Through the Programme for Transparency, Communication & Knowledge Management of the Spanish Co-operation System, Spain has developed shared methods and tools to evaluate public technical co-operation, to link knowledge activities to specific development results and to integrate lessons into future development co-operation (AECID, 2016<sup>[17]</sup>). FIIAPP has also developed its own results framework as part of its contributions to EU projects, and some bilateral technical co-operation is identified in the results frameworks of the country partnership frameworks (MAPs).

**Despite this, the existing results frameworks do not capture how the various instruments for public technical assistance contribute to institutional capacity building or improve public policies in partner countries and territories.** Currently, the main instruments to measure the results of Spain's capacity-building activities are satisfaction surveys sent to participants. Spain is not able to report on the outreach of its knowledge products, how partners use the knowledge acquired or how it has influenced administrations and their policies. In addition, there is no shared information system to record such results. Therefore, Spain is not in a position to fully capitalise or circulate the knowledge created by its various programmes. A better understanding of the effectiveness of public technical co-operation would help to better identify which policies have most leverage across all dimensions of development and help the administrations of origin to mobilise staff and reach a critical mass of projects.

## Recommendation

8. **Pursue efforts to continuously measure results** at corporate level and locally – especially the results of its technical co-operation and knowledge-building activities – to make sure results information is used for accountability purposes as well as for decision making.

## Leveraging development finance

### ***Spain's financial co-operation for development lacks a policy or strategy***

**Spain lists a number of priorities for financial co-operation in its Vth Master Plan,<sup>24</sup> but there is no overarching policy that clearly sets out the principles for financial co-operation and what Spain aims to achieve.** Spain considers financial co-operation fundamental for mobilising public and private resources and complementary to its technical co-operation efforts. Given Spain's increased attention to leveraging additional finance for development, it has been vocal in international fora and with its partners on the need to improve transparency and reporting on these issues.

### ***FONPRODE is missing opportunities to make sustainable development central to its financial co-operation***

**FONPRODE has a modular business model that involves many actors.** The Spanish Development Finance Corporation (Compañía Española de Financiación del Desarrollo or COFIDES) provides loans and equity to Spanish companies as additional development finance,<sup>25</sup> while AECID provides financial co-operation for sustainable development under the ODA budget via two funds: FONPRODE and FCAS.<sup>26</sup> Currently FONPRODE is funded exclusively from the Spanish development co-operation budget and must be 100% resourced from ODA. COFIDES serves as FONPRODE's financial adviser, performing risk analysis, due diligence and monitoring and evaluation,<sup>27</sup> while the Official Credit Institute (Instituto de Crédito Oficial or ICO) serves as FONPRODE's financial agent.<sup>28</sup> ICO looks at assurance and compliance from the perspective of macro and fiscal balance, ensuring that neither Spain nor the beneficiary is over-exposed in capital markets.

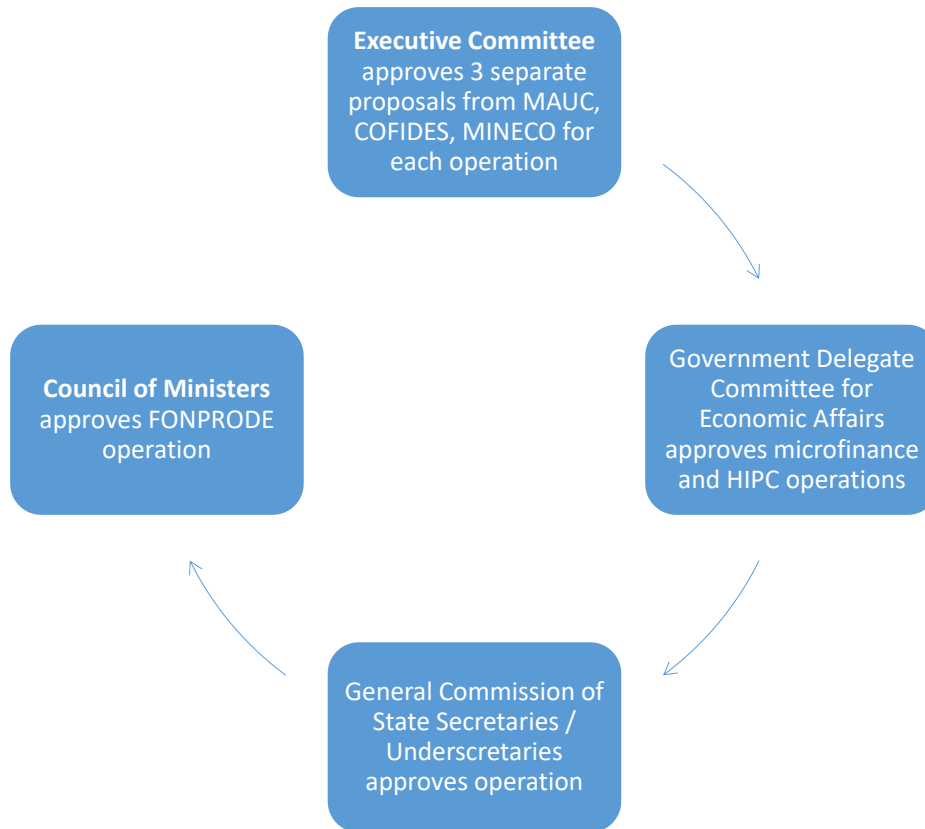
**FONPRODE's model presents a fundamental accountability challenge in Madrid and in countries and territories where it operates.** FONPRODE has limited ability to steer and govern operations because banking services and financial advice are provided elsewhere by COFIDES and ICO. As such, FONPRODE (AECID) does not operate as a financial institution. Further, FONPRODE relies solely on a government budget line plus loan repayments and income from investment funds to finance operations.

**Many of FONPRODE operations are identified, decided on and monitored in Madrid, without seeking advice from technical co-operation offices, which are not fully involved.** To capitalise on the added value of AECID's geographical and sectoral expertise and ensure that financial co-operation has sustainable development at its core, FONPRODE's operations must be able to draw on expertise beyond the eight or nine staff in its Madrid office. Failure to do so is missing opportunities to create synergies with bilateral programming and to link technical and financial co-operation. For example, when follow-up from the technical co-operation office is required for a FONPRODE operation, the roles and responsibilities between the technical co-operation office and the FONPRODE office in Madrid can be unclear, causing delays. **Greater geographical mobility for staff could lead to better understanding and appreciation of the value and role that financial co-operation can play in Spanish co-operation (Recommendation 4).**

### ***Spain's current instruments and institutional arrangements are holding back greater financial co-operation***

**The current approval process for financial co-operation is very onerous considering the small volume of operations.** FONPRODE's annual commitment ceiling is EUR 375 million. It can disburse a maximum of EUR 199 million per year, though its *actual* disbursements were just EUR 15.5 million in 2018 and EUR 25.8 million in 2017 (AECID, 2021<sup>[21]</sup>). All operations are approved at the highest level of government after a complex series of approvals for which FONPRODE (and AECID) are ultimately held accountable (Figure 5). FONPRODE's Executive Committee is chaired by SECI and includes representatives from MAUC, MINECO and ICO, as well as other organisations and ministries that manage ODA funds. The committee must approve separate reports or proposals from the three different bodies. Next, operations may need to be approved by the Government Delegate Committee for Economic Affairs before the General Commission of State Secretaries and Undersecretaries gives their accord. Finally, the committee must seek approval from the Council of Ministers, who must approve all operations, regardless of financial threshold.<sup>29</sup>

Figure 5. The cumbersome approval process for FONPRODE's operations



Note: HIPC=highly-indebted poor country  
 Source: Authors' own design based on interviews.

**The length of time it takes to prepare loans and FONPRODE's low levels of execution were already noted in the previous peer review** (OECD, 2016<sup>[5]</sup>). The problem persists today. In 2016 and 2017, only three FONPRODE operations were approved by the Executive Committee for a total annual average of EUR 50 million. In 2018, the number doubled to six non-reimbursable operations worth a total of EUR 126 million (AECID, 2021<sup>[21]</sup>). Past commitments have never come close to meeting the annual limit authorised by the Council of Ministers of EUR 375 million (MAUC, 2021<sup>[22]</sup>). In May 2021, FONPRODE's executive committee met for the first time in 2021 to approve three financial inclusion projects worth a total of EUR 24.4 million and a EUR 10 million loan to the Government of Niger for submission to the Council of Ministers (MAUC, 2021<sup>[23]</sup>).

**Spain's financial co-operation would benefit from aligning governance, internal control, and risk management systems with what is required of a financial institution.** Some reform proposals have suggested that Spain's financial co-operation could be brought under a single institutional umbrella in an attempt to simplify approval processes, shorten lengthy procedures, and more easily mobilise funding opportunities from the EU and multilateral development bank (Development Co-operation Council, 2020<sup>[7]</sup>). Spain will have to balance the fact that it already has a development finance institution (COFIDES) and that it would like AECID's expertise in sustainable development to be at the heart of its financial co-operation. Today, AECID does not have the mandate of a financial institution, nor does it have the human resources or expertise to increase and diversify its financial operations. Whatever the architecture

or governance of Spain's financial co-operation, once the new law on sustainable development co-operation has been approved, AECID's statutes will have to be adapted accordingly.

## Recommendation

9. **Set out a clear policy for Spain's financial co-operation, including principles and objectives that keep sustainable development at its core.** It should streamline its existing institutional set-up and make operations more efficient, equipped with controls and safeguards, in line with its new policy and plans to expand financial co-operation.

**More technical co-operation could help Spain to identify where to scale up financial co-operation operations.** Since 2013 the Executive Committee has rejected any proposals for FONPRODE to fund technical co-operation through non-reimbursable funds because it would increase Spain's public debt. These budget constraints mean that project identification or feasibility studies that could help develop a more viable pipeline of potential projects for Spanish co-operation must be funded outside Spain's financial co-operation (AECID, 2021<sup>[21]</sup>). In part to address this challenge, AECID recently posted 15 finance officers to technical co-operation offices around the world to work with Ministries of Finance and help identify various opportunities for financial co-operation.

**Though technical co-operation is an important complement to Spain's financial co-operation, enabling it to be more sustainable, budget limitations have affected this role.** In the past, reflows from loan repayments and other investments resourced a technical co-operation fund to accompany financial co-operation in a handful of countries.<sup>30</sup> Today, this technical co-operation is now only possible from partners like the IDB or the EU. **Finding a way to ensure that technical co-operation – one of Spanish co-operation's greatest assets – accompanies financial co-operation (whether funded by Spain or by others), would make operations more sustainable and integrated (Recommendation 2).** For example, FONPRODE's evaluation in El Salvador paints a very positive picture of the impact of technical co-operation that accompanied financial support to the microfinance institute, BANDESAL, and led to better credit and risk management tools, improved operational and internal controls, and better adapted and more agile client services (SIC Desarrollo, 2014<sup>[24]</sup>). Spain can learn from what it has done well in the past – and from the success of FCAS in integrating technical and financial co-operation (see Mobilising public sector expertise for building and sharing knowledge) – to adopt a more holistic approach in the future.

### ***Co-financing with other partners is a way for Spain to bolster its financial co-operation***

**FONPRODE forges partnerships to expand the array of instruments at its disposal (including guarantees, policy-based loans and impact investments), or take part in private-public partnerships.**<sup>31</sup> In this way, financial co-operation also widens the options for Spain to nurture closer partnerships with governments, civil society, the private sector and multilateral development banks and to encourage additional private funds to promote sustainable development at a time when unprecedented financial resources are required (AECID, 2021<sup>[25]</sup>). FONPRODE works with multilateral development banks, the EU, and bilateral development finance institutions like the Agence française de développement (AFD) and KfW Development Bank, to increase opportunities for blended finance.

**Spain is also able to leverage existing resources.** Thanks to Spain, the International Fund for Agricultural Development (IFAD) set up a sovereign borrowing framework in 2015 that allows it to on-lend funds borrowed from FONPRODE. The possibility to provide IFAD with reimbursable finance (loans) allowed Spain to contribute to IFAD's operations even when it was not able to provide non-reimbursable



contributions (grants) due to budget constraints. The framework is now used by two other IFAD member states, and has thereby increased the financing available for agricultural development.

**Blended operations combine mostly reimbursable financing from FONPRODE with non-reimbursable instruments that other partners can offer.** These may include guarantees, investment grants,<sup>32</sup> technical co-operation or risk capital that can be combined with reimbursable financing from FONPRODE. For example, the Latin American Investment Facility (LAIF) is an EU instrument that uses technical assistance and grants to leverage loans from FONPRODE. To illustrate, a recent co-financing arrangement of a FONPRODE (USD 60 million) and Inter-American Development Bank (USD 105 million) loan for a project on water and sanitation in Asunción, Paraguay includes EUR 15 million in technical co-operation from LAIF (administered by AECID) to help improve the operational, commercial and technical management of the water and sanitation company and ensure greater sustainability (ICEX, 2020<sup>[26]</sup>) and (IDB, 2020<sup>[27]</sup>).

**Spain's emphasis is on increasing EU delegated co-operation to augment and reinforce its bilateral investments.** Spain's master plan and actions prioritise EU co-ordination, and Spain is the third largest implementer of EU delegated co-operation (when AECID, FIIAPP, and COFIDES are included). It has invested heavily in influencing EU development policy in Brussels, and increasingly relies on EU co-financing as a lifeline when faced with drastic budget cuts in order to deliver its own development co-operation programmes. Coupled with its mutual reliance on other European development finance institutions like AFD, the result is that Spain's goals and objectives for financial co-operation and that of EU co-operation are very much linked. Box 4 gives an example of how a Spanish and European partnership coalesced to create Spain's largest social impact fund.

**Working closely with other government entities helps Spain influence private sector actors.** In addition to the financial co-operation instruments that constitute its ODA, technical co-operation offices together with Spanish Chambers of Commerce work with the private sector on a variety of initiatives. One example is TECNICAFÉ, Colombia's first technological park for coffee. Initially COFIDES had used its own resources to expand a coffee processing plant of a subsidiary of the Spanish coffee company, SUPRACAFE. SUPRACAFE – recognised in 2017 by the Business Call to Action of UNDP as the first Spanish company to conduct inclusive business – was instrumental in leading the way in the creation of TECNICAFÉ (COFIDES, 2021<sup>[28]</sup>).

#### Box 4. The Huruma Fund: Spanish public and private investment for smallholder agriculture

Agricultural productivity and food security have a clear impact on poverty reduction (AECID, 2021<sup>[25]</sup>). However, traditional bank screening models tend to exclude smallholder farmers from accessing credit, since they are considered high-risk for financial institutions. Formal lending to smallholder and marginalised farmers in partner countries and territories meets only 3% of farmers' global demands for finance (European Commission, 2018<sup>[29]</sup>).

To respond to this challenge, COFIDES, AECID, the EU and private sector investors created the Huruma Fund in 2018, Spain's first social impact fund to assist rural farmers worldwide via microfinance institutions and banks (Finster, 2020<sup>[30]</sup>). Three impact investments have been agreed thus far: two loans in Ecuador (EUR 4 million to INSOTEC and EUR 3 million to FACES) and one in Peru (COOPAC Norandino for EUR 3 million).

Investments in both countries are closely aligned with Spanish co-operation priorities. In Ecuador, the Huruma Fund investment in INSOTEC provides microfinance and training to smallholders in the west of Ecuador, while FACES provides agricultural microfinance – in line with the 2019-22 MAP to boost agricultural productivity and the income of food producers (MAUC, 2020<sup>[31]</sup>). In Peru, COOPAC Norandino works with smallholder farmers in the north active mainly in the coffee, cocoa, sugar and

banana value chains. It is closely aligned with Spanish co-operation's work with the government of Peru and its partners on irrigation and supporting women producers.

The Huruma Fund illustrates Spain's ability to identify reliable partners and to leverage the funding it has available to invest in improving the livelihoods of marginalised people. The fund has total commitments of EUR 120 million to support 45 000 farmers globally. Public resources are provided by AECID-FONPRODE (EUR 20 million in reimbursable finance) and the EU provides both first-loss funding (EUR 10 million) and technical co-operation or transformation projects valued at EUR 9 million. EUR 1 million in investments come from COFIDES. These public resources were key in attracting private investor equity worth EUR 90 million. The Huruma Fund is managed by GAWA Capital, an advisory company specialised in microfinance with a track record of positive financial returns.

A few features of this fund are key to the success of this public-private co-operation. The first is the EU's provision of first-loss funding, as a guarantee to the Huruma Fund that if any of the projects fail to return the money, the first defaults (up to EUR 10 million) are covered by public entities. Second, the EU's technical co-operation or transformation projects go hand-in-hand with the financial co-operation to ensure longer-term impact through microfinance entities or financial co-operatives. For example, technical co-operation projects work to improve digitalisation, increase the use of data analytics, design and implement an agricultural risk management system, or expand the network of rural agents. Finally, the investments are for a three-year period, which reflects the longer terms for farming loans (COFIDES, 2021<sup>[32]</sup>).

Note: This practice is documented in more detail on Development Co-operation TIPs: Tools Insights Practices platform at [www.oecd.org/development-cooperation-learning](http://www.oecd.org/development-cooperation-learning).

Sources: AECID (2021<sup>[25]</sup>), *Plan de acción 2021 de la Agencia española de cooperación internacional para el desarrollo* [www.aecid.es/Centro-Documentacion/Documentos/Divulgacion/Comunicacion/2021\\_05\\_24\\_PLANACCI%20%93NAECID2021.pdf](http://www.aecid.es/Centro-Documentacion/Documentos/Divulgacion/Comunicacion/2021_05_24_PLANACCI%20%93NAECID2021.pdf); COFIDES (2021<sup>[32]</sup>), "The Huruma Fund marks its third impact investment with COOPAC Norandino" [www.cofides.es/en/noticias/notas-de-prensa/huruma-fund-marks-its-third-impact-investment-coopac-norandino](http://www.cofides.es/en/noticias/notas-de-prensa/huruma-fund-marks-its-third-impact-investment-coopac-norandino); (European Commission, 2018<sup>[29]</sup>), "Huruma Fund" [https://ec.europa.eu/eu-external-investment-plan/projects/huruma-fund\\_en](https://ec.europa.eu/eu-external-investment-plan/projects/huruma-fund_en); Finster (2020<sup>[30]</sup>), *Microcapital Brief: COFIDES Launches \$145m Huruma Fund to Deliver Microfinance to 45k Farmers on 4 Continents* [www.microcapital.org/microcapital-brief-cofides-launches-145m-huruma-fund-to-deliver-microfinance-to-45k-farmers-on-4-continents](http://www.microcapital.org/microcapital-brief-cofides-launches-145m-huruma-fund-to-deliver-microfinance-to-45k-farmers-on-4-continents); MAUC (2020<sup>[31]</sup>), *Marco de Asociación País de España-Ecuador 2019-2023* [Country Partnership Framework: Ecuador 2019-2023] [www.cooperacionspanola.es/sites/default/files/map\\_ecuador\\_4.pdf](http://www.cooperacionspanola.es/sites/default/files/map_ecuador_4.pdf).

## Being fit for fragility

### **Spain provides substantial support to fragile contexts, backed by policies fit for fragility**

**Thirteen of the 33 countries and territories in Spain's current master plan are fragile, according to the OECD fragility framework.**<sup>33</sup> Fragile contexts represented 30.5% of Spain's bilateral ODA in 2019, a significant increase from the 6.9% in 2016, and mainly due to substantial engagement in the Bolivarian Republic of Venezuela (hereafter "Venezuela") and Colombia. Overall, development co-operation, not humanitarian assistance, represents the bulk of this growth. This is in line with the principle expressed in the DAC Recommendation on the Humanitarian-Development-Peace Nexus [OECD/LEGAL/5019]: prevention always, development whenever possible, humanitarian only when necessary. Spain's development co-operation is expanding in Africa, notably in contexts such as Sudan or Libya that are experiencing crisis or transition, requiring a specific sensitivity to fragility.

**In fragile contexts, Spain sees development co-operation as a way to create environments conducive to sustainable peace and to facilitate conflict resolution.** Back in 2007, Spain created a Peacebuilding Strategy for its development co-operation (MAUC, 2007<sup>[33]</sup>), a decade before the "nexus

approach” was formalised. It reflects Spain’s early focus on coherence and complementarity in fragile contexts. In 2021, Spain designed a specific strategy for working in fragile contexts, building on the different dimensions of fragility in line with the OECD fragility framework (OECD, 2021<sup>[34]</sup>).

**Spain’s Vth Master Plan is structured around the SDGs, notably SDG 16 on peace, justice and strong institutions** (MAUC, 2018<sup>[35]</sup>). As a result, Spain invests in sectors that contribute to peace in fragile contexts, as in Colombia, where achieving peace and tackling inequalities are core pillars of Spain’s support to the implementation of the peace agreement (Box 5). With concrete actions for peaceful conflict resolution at national and local levels, Spain strives to normalise the social, political and economic dynamics in contexts affected by violence.

**Spain’s humanitarian strategy reflects new ambitions** (AECID, 2019<sup>[36]</sup>). Focusing on rights and protection of the most vulnerable, Spain aims to make its humanitarian assistance coherent with its other instruments in crisis situations. Humanitarian action is embedded in the Vth Master Plan and is strongly related to the EU humanitarian framework. Increasing the humanitarian budget from 5.8% (OECD, 2021<sup>[37]</sup>) to reach its target of 10% of ODA (AECID, 2019<sup>[36]</sup>) will allow Spain to implement its strategy credibly and strengthen its voice in humanitarian diplomacy.

### ***Development and peace are strongly linked***

**Spain’s peace-related ODA<sup>34</sup> rose from USD 7 million in 2016 to USD 10.5 million in 2019, representing a 50% increase** (OECD, 2021<sup>[37]</sup>). Spain focuses on difficult sectors such as human rights, justice and governance through technical co-operation and capacity building, involving the relevant Spanish administrations. When crises materialise, Spain does not halt its development co-operation; instead it strives to refocus on the intermediate administrative levels that continue to function irrespective of the high-level political dynamics, in addition to supporting civil society. This is good practice.

**Conflict mediation is one of Spain’s historical strengths in peacebuilding.** Spain is a founding member of the Group of Friends of Mediation at the UN (MAUC, 2017<sup>[38]</sup>) and puts its diplomacy into motion to support peace processes. Spain has been instrumental in the negotiation of peace processes – such as in the Philippines and Colombia – and supports their implementation, for example through sending observers to the UN Verification Mission in Colombia (Ministry of Defence, 2021<sup>[39]</sup>; MAUC, 2021<sup>[22]</sup>).

**Cultural co-operation for peace is another notable focus of Spain’s overall engagement in crisis contexts.** While some other DAC members, such as Italy, focus on protecting cultural heritage during armed conflict (OECD, 2019<sup>[40]</sup>), Spain’s approach is to promote respect for cultural diversity as a cross-cutting priority contributing to the peaceful resolution of conflicts (Box 5). As early as 2005, Spain passed a law to promote the culture of peace through education to “promote values, behaviours, attitudes, practices, feelings, beliefs that end up shaping peace” (Government of Spain, 2005<sup>[41]</sup>).

### ***Spain’s local presence is a key asset for coherence and complementarity in fragile contexts***

**Empowered leadership in embassies can be key to linking development and peace components.** Because ambassadors provide the political lead for Spain’s development co-operation, the embassy plays an important role in aligning the objectives and implementation of the development and peace portfolios.

**Spain’s long-term political engagement in peace processes is prized by its partners** (Government of Philippines, 2017<sup>[42]</sup>). Durable partnerships help build trust amongst partners, and strengthen the political dialogue when crises hit. For example, in Colombia, Spain is working to integrate people’s rights into the political dialogue in areas affected by post-conflict violence, immigration from Venezuela and the threat of natural disasters.

**Integrating Spain’s activities within the EU framework increases global coherence in the most challenging contexts** (Government of Spain, 2021<sup>[43]</sup>). For example, AECID supports the “Tahdir Masar” project<sup>35</sup> under the framework of the EU Instrument for Peace and Stability (IcSP). This is focused on Syrian civil society in the field of media, women’s empowerment, and youth and illustrates how long-term support to civil society can help to create a political and social environment that is conducive to recovery (AECID, 2018<sup>[44]</sup>).

### ***Spain’s humanitarian tools have wider crisis management and development potential***

**Some of Spain’s important new tools and instruments are labelled as humanitarian, although they aim to address issues around crisis management.** Possibly because the humanitarian department within AECID manages most of Spain’s conceptual work on crisis and fragility with limited human resources, Spain’s crisis instruments are created with a humanitarian lens that can narrow their scope. For example, building on its diplomatic strength, Spain is designing a humanitarian diplomacy policy that goes beyond humanitarian assistance. This policy aims to frame Spain’s advocacy efforts in international fora, and will address many aspects of crisis management, such as preventive diplomacy, arms proliferation, counterterrorism, and the fight against impunity, in addition to a more classical humanitarian diplomacy and protection advocacy (ICRC, 2021<sup>[45]</sup>). In order to avoid misunderstandings by Spain’s partners about the scope of its humanitarian remit, and to strengthen its diplomatic role, Spain could make sure its diplomatic work also refers to crisis management or peace diplomacy and not solely to humanitarian diplomacy.

**AECID’s humanitarian early recovery fund, created in 2021, should enable transition to development assistance more clearly.** The fund aims to combine humanitarian assistance with recovery initiatives within the 18 months after an emergency. (AECID, 2021<sup>[46]</sup>). As Spain recognises, post-crisis needs are generally prolonged years after the crisis, and therefore the line between meeting humanitarian needs and supporting recovery and development is blurred. In order to support early recovery through structural support to locally-designed solutions, Spain should make sure that this fund is not limited to the delivery of services through humanitarian modalities, and that its actions are linked to existing medium-term development strategies. As some DAC members have demonstrated (BMZ, 2020<sup>[47]</sup>), transitional development assistance funds and programmes can represent a powerful support for peace and recovery when they are designed as early development instruments rather than extended humanitarian assistance.

**NGOs are a great asset for Spain’s humanitarian assistance.** Up to 86% of Spain’s bilateral ODA in fragile contexts is channelled through civil society, including humanitarian NGOs. However, the humanitarian strategy acknowledges that both the regulatory framework and the contractual modalities driving the partnership remain rigid and restrictive and require adaptation. For example, most of Spain’s humanitarian allocation to NGOs is decided through calls for proposals – a long and unpredictable selection modality that does not align well with the flexibility often required in such operational contexts. As for many other DAC members, framework partnerships extended to all humanitarian responses, and not only emergency ones, often create stronger partnerships for both civil society partners and administrations.

#### **Box 5. Spain’s support to the peace process in Colombia**

As a long-standing partner, Spain remained engaged with Colombia throughout the decades of conflict between the government and several armed groups over political, social and economic grievances, notably land use and distribution. While the peace deal signed in 2016 between the Government of Colombia and the most prominent group, the Revolutionary Armed Forces of Colombia (FARC), did end the war, many other groups remain active and the demobilisation of ex-combatants remains a

complex topic to address. Enduring political violence; high social and economic inequalities; the lack of basic services in rural and remote areas of the country; and an unequal distribution of land, power, and wealth remain major concerns and contributory factors to fragility.

Spain's approach to peace and stability in Colombia is one of partnership and support at different levels of society. Spain supported the peace negotiations throughout the conflict, and was a prominent member of the UN Friends of Talks between the Government of Colombia and the FARC (Whitfield, 2005<sup>[48]</sup>). The resulting peace agreement comprises a complex set of six interconnected agreements on rural reform, political participation, ceasefire and disarmament, illicit drugs, victims, and implementation mechanisms, all of which must be implemented together as an Integrated System of Truth, Justice, Reparation and Non-Repitition (National Government of Colombia and FARC EP, 2016<sup>[49]</sup>). The agreement establishes different judicial and non-judicial mechanisms and institutions, supported by Spain. The Special Jurisdiction for Peace (Jurisdicción Especial para la Paz), a transitional justice mechanism, and the Truth Commission (Comisión de la Verdad) receive political, technical and financial support from Spain in order to ensure territorial deployment of actions as well as visibility for the Commission's work. The Agency for Reincorporation and Normalisation (Agencia de Reincorporación Nacional) co-ordinates the social and economic reintegration of people demobilised from organised illegal armed groups. AECID provides technical support to design the various projects and financial support for the purchase of productive assets, for example in the coffee sector.

Aside from the peace institutions, AECID builds on its culture of peace policy to support the Colombian Ministry of Culture's National Workshop Schools Programme (Escuelas Taller). As part of this effort, Spain has supported the development and implementation of a culture of peace toolkit (Programa Nacional de Escuelas Taller, 2016<sup>[11]</sup>) involving various activities throughout the areas most affected by violence, as well as various vocational training programmes, notably for ex-combatants. The work with civil society, including human right defenders and ethnic, indigenous and Afro-descendant populations, remains a fundamental axis of Spain's co-operation, reinforcing the fulfilment of rights. Spain also supports the Presidential Advisory Office for Women's Equity (Consejería Presidencial para la Equidad de la Mujer) to promote the territorialisation of public policies on equity and rights. Finally, Spain supports the UN Verification Mission in Colombia (UNVMC) by seconding eight staff members to this mission in order to monitor and verify the disarmament, and help supervise the cessation of hostilities.

Spain's comprehensive approach in Colombia highlights the relevance of a conflict-sensitive programme supporting critical institutions on issues such as justice and rule of law, rights-based and economic recovery, yet providing humanitarian assistance when and where necessary. This approach reflects the intention of the DAC Recommendation on the Humanitarian-Development-Peace Nexus (OECD, 2019<sup>[50]</sup>), and could be replicated in similar recovery contexts.

Sources: University of Edinburgh (2016<sup>[49]</sup>), *Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace* [www.peaceagreements.org/viewmasterdocument/1845](http://www.peaceagreements.org/viewmasterdocument/1845); Whitfield (2005<sup>[48]</sup>) *A Crowded Field: Groups of Friends, the United Nations and the Resolution of Conflict*, [https://peacemaker.un.org/sites/peacemaker.un.org/files/ACrowdedField\\_WhitefieldCIC2005.pdf](https://peacemaker.un.org/sites/peacemaker.un.org/files/ACrowdedField_WhitefieldCIC2005.pdf).

## Recommendation

- 10. Ensure that tools for humanitarian diplomacy and the new early recovery fund address crisis management** and not only humanitarian assistance in order to increase their effectiveness and match Spain's renewed ambition.

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## Notes

<sup>1</sup> Master plans present Spain's four-year strategy for development co-operation. Drafted under the leadership of the Ministry for Foreign Affairs, European Union and Co-operation (MAUC), they apply to the whole government.

<sup>2</sup> These are the Ministry of Foreign Affairs, European Union and Cooperation, Ministry of Finance and Civil Service, Ministry of Economy and Business, and Ministry of Inclusion, Social Security and Migration.

<sup>3</sup> The Spanish Agency for Development Co-operation (AECID), the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP) and Fundación Carolina. See snapshot [www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR\(2021\)4/6/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR(2021)4/6/FINAL&docLanguage=En) for more information on the three institutions.

<sup>4</sup> In addition to co-ordination frameworks with partners such as the Conference of Rectors of Spanish Universities (CRUE) and the Spanish Federation of Municipalities and Provinces (FEMP), three bodies structure consultation and co-ordination: the Development Co-operation Council responsible for multi-stakeholder consultation; the Inter-ministerial Commission for Development Co-operation responsible for co-ordination within the general state administration; and the Inter-territorial Commission for Development Co-operation, responsible for co-ordinating public administrations, including autonomous communities and local entities. A strategic framework to guide engagement with non-government organisations is in preparation.

<sup>5</sup> FIIAPP is a public foundation governed by a board of government ministers, secretaries of state and senior officials of the Spanish General State Administration, presided over by the Vice-President of the Spanish Government. Spain's Secretary of State for International Co-operation chairs the board's Permanent Commission. Fundación Carolina is funded and governed by public and private actors. The Secretary of State for International Co-operation chairs the governing board of the Fundación.

<sup>6</sup> Country partnership frameworks (MAPs) are multi-annual, bilateral instruments that set out the partnership between Spain and a partner country or territory to contribute to sustainable development.

<sup>7</sup> See snapshot for more information [www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR\(2021\)4/6/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR(2021)4/6/FINAL&docLanguage=En).

<sup>8</sup> SECI has 16 staff, while DGPOLDES, the directorate under the supervision of SECI, has 35 staff.

<sup>9</sup> Funding, which is mainly annual, takes a minimum of 20 weeks to be approved, including for humanitarian assistance.

<sup>10</sup> Since 2016, significant progress has been made in using partner systems for budget execution, financial reporting, auditing and procurement – with an increase from 35% to 57% between 2016 and 2018 (slightly higher than the DAC average of 55%) (OECD/UNDP, 2019<sup>[16]</sup>). However, further efforts are needed in the use of financial reporting systems, which at 37% remain significantly lower than the DAC average (56%).

<sup>11</sup> The committee is composed of four Spanish co-operation bodies: SECI/DGPOLDES, AECID, Fundación Carolina and FIIAPP.

<sup>12</sup> Spain aims to present the results of this reporting exercise to the public at the end of 2021.

<sup>13</sup> The MAPs include sections on (1) the context and national strategies of a given country; (2) the role of Spanish and international co-operation in contributing to the 2030 Agenda and national priorities; (3) the alliances, networks, modalities, instruments, resources and risks present in the country; (4) cross-cutting issues; and (5) monitoring, evaluation and mutual accountability. Annexes on results matrices, resources, networks and risks are also included in the public document.

<sup>14</sup> MAPs do not typically include activities implemented by Spanish institutions on behalf of the European Union (EU delegated co-operation), unless such activities are co-financed directly by Spain.

<sup>15</sup> The system makes use of the Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABC) document management system to share documents and exchange observations between the technical co-operation office and various stakeholders in Spain.

<sup>16</sup> An organisation called Taula Catalana for peace and human rights in Colombia was established in 2002 in Catalonia. More information on this network can be found here: [www.taulacolombia.org/es/](http://www.taulacolombia.org/es/).

<sup>17</sup> The whole process of developing a MAP – from design to final approval and signing – can take anywhere from 3 to 24 months depending on the context.

<sup>18</sup> Two solutions can help ensure some predictability and the continuity of projects within the confines of current rules and regulations: (1) disbursing the entire amount for the life of the project in one tranche in an account supervised and controlled by the technical co-operation office, which then manages disbursement each year; or (2) the amount to be disbursed each year is decided when the project is approved so that the annual budgeting process can prioritise this each year.

<sup>19</sup> Its initial budget was EUR 14 million over 2017-21.

<sup>20</sup> The training centre located in the Plurinational State of Bolivia (hereafter Bolivia) is focused on water and sanitation, social cohesion and indigenous peoples; in Colombia the centre is focused on Afro-descendants, democratic governance and gender equality; in Guatemala the focus is on resilient agriculture and the environment, as well as migration and asylum; Uruguay's centre concentrates on public finances, scientific co-operation and public policies for research, development and innovation.

<sup>21</sup> Horizontal programmes include the Programme for Environmental and Climate Change in Latin America and the Caribbean (ARAUCLIMA), the Afro-Descendant Peoples Co-operation Fund, the Indigenous Peoples Fund, the Escuelas Taller vocational schools programme and the COO-TEC programme.

<sup>22</sup> The INTERCOONECTA programme identified eight thematic networks.

<sup>23</sup> Spain has signed memoranda of understanding on triangular co-operation with 7 countries in Latin America, and 11 activities were on-going in the region in 2018. New generation agreements signed with Argentina, Brazil, Chile and Uruguay further emphasise the role of triangular co-operation.

<sup>24</sup> The Vth Master Plan sets out Spain's financial co-operation priorities: microfinance, remittance banking, small and medium-sized enterprises, social economy, venture capital, infrastructure creation and PPPs.

<sup>25</sup> Funding from COFIDES' own budget is not counted as ODA.

<sup>26</sup> Figure 1 in the Snapshot of Spain's development co-operation [www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR\(2021\)4/6/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR(2021)4/6/FINAL&docLanguage=En) shows FONPRODE's portfolio at the end of 2018 (AECID, 2021<sup>[21]</sup>).

<sup>27</sup> COFIDES was accredited for the delegated management of the EU's development co-operation budget in 2015.

<sup>28</sup> ICO is a state-owned bank attached to the Ministry of Economic Affairs and Digitalisation (MINECO).

<sup>29</sup> The Council of Ministers must approve three types of country-level allocations: (1) funding of UN agencies earmarked for specific countries; (2) provision of loans; and (3) humanitarian assistance.

<sup>30</sup> Five technical co-operation funds (in El Salvador, Peru, Bolivia, Egypt, and Central America) under the previous Fund for the Concession of Microcredits (FCM) still had funds left over in 2019 (Agencia Estatal Boletín Oficial del Estado, 2020<sup>[51]</sup>).

<sup>31</sup> FONPRODE has the mandate to provide loans, credit and credit lines to national, regional, and local authorities and local financial entities, including through special purpose vehicles and investment funds. Its activities consist of loans to states to finance development projects; loans to microfinance entities to improve financial inclusion; shares in investment funds related to food security, renewable energy, agriculture and micro, small and medium enterprises with a development impact and shares in collective investment vehicles.

<sup>32</sup> An investment grant is a direct subsidy made by a government to a business in order to enable it to make further investments.

<sup>33</sup> These are Ethiopia, Haiti, Mali, Mauritania, Mozambique and Niger in the least advanced association countries grouping; Colombia, Ecuador, Guatemala, Honduras, Nicaragua and Palestine in the middle-income association grouping; and Equatorial Guinea in the advanced co-operation countries grouping (MAUC, 2018<sup>[35]</sup>).

<sup>34</sup> In the OECD's fragility frameworks, ODA to peace-related sectors is tracked using the following Creditor Reporting Sector codes: 15110, 15111, 15112, 15113, 15130, 15150, 15152, 15153, 15160, 15170, 15210, 15220, 15230, 15240, 15250, 15261. For more details see <https://www3.compareyourcountry.org/states-of-fragility/about/0/>.

<sup>35</sup> The Tahdir-Masar Programme for strengthening social cohesion for a democratic and inclusive Syrian civil society is a European Union programme implemented by AECID and its partners such as the Arab Woman Media Center, Jordanian National Forum for Women (JNFW) and the Center for Strategic Studies. Each of the Jordanian institutions participating in this project covers a key sector to foster democracy and human rights in Syria: the role of women in reconstruction and peacekeeping (JNFW), the education and training of young Syrians to be able to lead the process (SSC) and the role of the media (AWMC). Its

Spanish partners are the Complutense Institute of International Studies, the Toledo International Centre for Peace and Radio Televisión Española, respectively (AECID, 2018<sup>[44]</sup>).

## Annex A. Progress since the 2016 DAC peer review recommendations

### Towards a comprehensive Spanish development effort

2016 recommendations	Progress
To ensure development concerns are taken into account in both domestic and foreign policies, Spain should select priority issues, and analyse, monitor and report the effect of their related policies on developing countries.	Partially implemented Work is in progress to develop an analytical framework that systematically measures the impact of new policies on the SDGs and to exploit links between foreign policy and development co-operation objectives.

### Vision and policies for development co-operation

2016 recommendations	Progress
Re-assert Spain's political commitment to effective poverty-focused development co-operation, in line with international commitments and the 2030 Agenda.	Implemented Commitment in the Vth Master Plan, reactivation of annual communication with a focus on poverty and inequality, action plan for implementing the SDGs with a work programme dedicated to international co-operation.
Clarify Spain's thematic focus through analysis of its comparative advantage, and provide relevant guidance to operationalise priorities.	Partially implemented The Vth Master Plan addresses all SDGs but focuses on 29 sustainable development targets and 4 cross-cutting issues. Spain did not publish guidance to operationalise priorities.
Improve the coherence and consistency of its support for the multilateral system. Spain should reduce the number of government departments providing multilateral assistance, within the Ministry of Foreign Affairs and Co-operation and beyond, and better co-ordinate support between them.	Partially implemented Numerous departments provide multilateral assistance, but three ministries provide 99% of the support. Strategic partnership frameworks are consulted with MAUC. Discussions in multilateral boards are not necessarily relayed to MAUC nor do they trickle down to embassies.

## Aid volume and allocation

2016 recommendations	Progress
As the economy continues to recover, Spain should set out a clear path towards meeting its commitment to increasing ODA to 0.7% of GNI and its commitment to the least developed countries and countries most in need.	Not implemented The government committed to increase the ODA budget to 0.5% of GNI by 2023 with no road map. In 2020, ODA was equivalent to 0.23% of GNI.
To improve its focus, Spain should concentrate more of its ODA resources on its top recipients - i) its priority countries and territories, which includes increasing country programmable allocations in those countries and territories, and ii) its key strategic multilateral partners	Partly implemented Increased concentration on top 20 recipients but country programmable aid (21% of Spain's gross bilateral ODA) remains lower than the DAC country average (48%) mainly due to in-donor refugee costs. Budget cuts forced concentration on fewer multilateral partners, driven by Spain's geographic and thematic focus.
Spain should improve how it co-ordinates its financial instruments and reports to the Development Assistance Committee (DAC) and the public on all official flows for development.	Partially implemented Spain is a strong advocate and user of TOSSD; but its reporting to the DAC on 2019 flows was rated "fair" due to inconsistencies with the initial data submission and quality of some categories.
In line with its commitment to mobilising additional resources for development, Spain should develop a strategy and design suitable instruments for engaging the private sector.	Not implemented Spain has not yet elaborated a framework for collaboration with the private sector and the execution of FONPRODE operations remains challenging.

## Organisation and management

2016 recommendations	Progress
In contemplating institutional arrangements as a result of the 2015 legal changes, Spain should define clear governing principles and mandates for all institutions involved in Spanish development co-operation.	Partially implemented Clearer division of responsibility between SECI and AECID. Further improvement planned with the upcoming institutional reform.
Spain should review and refine the mandates of its whole-of-country co-ordinating bodies – at headquarters and in partner countries and territories – so that they contribute more effectively to policy and programming.	Implemented Co-ordination bodies are revitalised with clear mandates and have contributed effectively to the definition of shared positions – such as the joint Response Strategy from Spanish Cooperation to COVID-19 Crisis.
Spain should develop a medium-term human resources strategy in conjunction with its next Master Plan. The strategy should address: i) the skills and specialisms required to meet policy and operational objectives at headquarters and country offices; ii) the rotation and promotion of staff at all levels in the interests of organisational learning and staff motivation; iii) the deployment of locally employed staff for programme tasks to make better use of their knowledge and skills.	Not implemented This recommendation is part of the considerations driving the reform process. An in-depth review of AECID human resources framework will be conducted once the reform is finalised.

## Development co-operation delivery and partnerships

2016 recommendations	Progress
Spain should develop guidance and procedures for risk analysis and risk management to improve programme delivery.	Partially implemented Steps taken to enhance the management of risks (including integrity and corruption risks) but operational guidance at headquarters level still lacking. AECID is currently reviewing its risk management system and developing new guidance.
Spain should – while including results reporting – simplify its reporting requirements for NGOs to reduce transaction costs and strike a balance between accountability and learning.	Not implemented No new measures have been taken but a new procedure is expected to be operational in 2022.



## Results and accountability

2016 recommendations	Progress
To accelerate the shift towards results-based decision-making, Spain should develop appropriate tools to monitor and analyse results.	Partially implemented A set of indicators is being developed and the methodology to design and monitor country results frameworks has been reviewed. Results are yet to inform decisions.
Spain should guarantee the independence of the central unit for evaluation by giving it authority to plan and budget strategic evaluations.	Partially implemented The evaluation unit is organically part of DGPOLDES but functionally depends on the SECI. The unit does not have a dedicated budget.
To ensure learning, Spain should systematically follow up on management responses to evaluations and make sure their findings inform decision-making.	Not implemented No new measures have been taken. Spain plans to address this issue once the reform of the co-operation system is finalised.
To sustain strong public support for development, Spain should develop an actionable plan for development education.	Not implemented AECID foresees to develop a new action plan once the new law on co-operation is voted and the new Master Plan approved.

## Humanitarian assistance

2016 recommendations	Progress
To ensure that partners are able to respond in a timely way and focus on delivering quality results, Spain needs to simplify its grants procedures for humanitarian NGOs. As recommended for development NGOs, Spain should also adjust its reporting requirements.	Partially implemented Spain has taken steps to increase its flexibility as its humanitarian budget increased. Decentralised co-operation has streamlined procedures and reporting. Extending this agreement to all autonomous communities will further reduce some administrative burden for NGOs.

## Annex B. Organisations consulted during the peer review

### Organisations / authorities consulted in Spain

1. AECID, Agencia Española de Cooperación Internacional para el Desarrollo [Spanish Agency for International Development Co-operation]
2. Alianza por la solidaridad [Alliance for Solidarity]
3. APC, Asociación Profesional de Cooperantes [Programme staff representative]
4. Ayuda en Acción [Help in Action]
5. CAF, Development Bank of Latin America
6. CC.OO, Comisiones Obreras [Workers' Commissions]
7. CEOE, Confederación Española de Organizaciones Empresariales [Spanish Confederation of Business Organisations]
8. CEPES, Confederación Empresarial Española de la Economía Social [Spanish Business Confederation of Social Economy]
9. COFIDES Compañía Española de Financiación del Desarrollo [Spanish Development Finance Corporation]
10. Comunidad Autónoma de Andalucía [Autonomous Community of Andalusia]
11. Comunidad Autónoma de Cataluña [Autonomous Community of Catalonia]
12. Comunidad Autónoma de Extremadura [Autonomous Community of Extremadura]
13. Comunidad Autónoma del País Vasco [Autonomous Community of the Basque Country]
14. CONGDE, Coordinadora de Organizaciones No Gubernamentales para el Desarrollo [Spanish Coordinator of Non-governmental Organisations for Development]
15. CRUE, Conferencia de Rectores de las Universidades Españolas [Conference of Rectors of Spanish Universities]
16. Entreculturas
17. FEMP, Federación Española de Municipios y Provincias [Spanish Federation of Municipalities and Provinces]
18. FIIAPP, Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas [International and Ibero-American Foundation for Administration and Public Policies]
19. Fundación Carolina
20. Grupo de Capacidades
21. ICO, Instituto de Crédito Oficial [Official Credit Institute]
22. DG INTPA, EU Commission's Directorate-General for International Partnerships
23. MAUC – DGPODES, Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, Dirección General de Políticas de Desarrollo Sostenible [Ministry of Foreign Affairs, European Union and Co-operation, General Directorate for Sustainable Development Policies]

24. MAUC – SECI, Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, Secretaría de Estado de Cooperación Internacional [State Secretariat for International Co-operation]
25. MAUC- SEEG, Secretaría de Estado de España Global [State Secretariat for Global Spain]
26. Médicos del Mundo [Doctors of the World]
27. Médicos sin Fronteras [Doctors without Borders]
28. MINECO, Ministerio de Asuntos Económicos y Transformación Digital [Ministry of Economic Affairs and Digital Transformation]
29. Ministry of Inclusion, Social Security and Migration
30. Ministry of Inclusion, Social Security and Migration - Secretariat of State Agenda 2030
31. Ministry of Trade
32. MPDL, Movimiento por la Paz [Movement for Peace]
33. Oxfam Intermon
34. Plan Internacional
35. Political Watch Spain
36. Real Instituto Elcano
37. Save the Children Spain
38. Tribunal de Cuentas [Court of audit]
39. UGT, Unión General de Trabajadores [Workers' General Union]
40. UNRWA Spain, UN Relief and Works Agency for Palestine Refugees

## Partners consulted in Colombia

41. ADELCO, Red Nacional de Agencias de Desarrollo Local de Colombia [National Network of Local Development Agencies in Colombia]
42. Agencia de Reincorporación Nacional [National Reintegration Agency]
43. Agencia de Renovación del Territorio [Agency for Territorial Renewal]
44. Chocó Regional government
45. Colombian Ministry of Foreign Affairs
46. Comisión de la Verdad [Truth Commission]
47. Consejería Presidencial para la Equidad de la Mujer [Presidential Council for Women's Equity]
48. Corporación Humanas
49. European Union Delegation
50. Fundación CODHES, Consultoría para los Derechos Humanos y el Desplazamiento [Consultancy for Human Rights and Displacement]
51. Fundación Ideas para la Paz [Ideas for peace Foundation]
52. IDB, Inter-American Development Bank
53. Italy Representation
54. JEP, Jurisdicción Especial para la Paz [Special Jurisdiction for Peace]
55. Local Development Programs Co-ordination Nariño / Chocó
56. Ministerio de Hacienda y Crédito Público [Ministry of Finance and Public Credit]
57. Nariño Regional government
58. DNP, National Planning Department

59. OCHA Colombia, Office for the Co-ordination of Humanitarian Affairs
60. OHCHR Colombia, Office of High Commission for Human Rights
61. OIM Colombia, Organisation for International Migration
62. Oxfam Colombia
63. Pastoral Social
64. APC Colombia, Agencia Presidencial de Cooperación Internacional de Colombia [Presidential Agency for Cooperation]
65. Programa Nacional Escuelas Taller Alberto Escovar [Alberto Escovar National Workshop Schools Programme]
66. Red Departamental de Mujeres Chocó [Departmental Women's Network]
67. Swedish Representation
68. Swiss Representation
69. TECNICAFAE
70. UNDP Colombia, UN Development Programme
71. UNHCR Colombia, UN High Commissioner for Refugees

### Spanish organisations / authorities consulted in Colombia

72. AECID's technical co-operation office
73. Alboan
74. APS, Alianza por la Solidaridad [Alliance for Solidarity]
75. FIIAPP, Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas [International and Ibero-American Foundation for Administration and Public Policies]
76. MPDL, Movimiento por la Paz [Movement for Peace]
77. Mundubat
78. Spanish Embassy

### Other organisations consulted

79. UNWOMEN, UN Entity for Gender Equality and the Empowerment of Women
80. AfDB, African Development Bank
81. AIIB, Asian Infrastructure Investment Bank
82. European Union Permanent Representation
83. Green Climate Fund
84. IDB, Inter-American Development Bank
85. IFAD, International Fund for Agriculture and Development
86. SDG Fund, United Nations Fund for SDG
87. SEGIB, Secretaría General Iberoamericana [Ibero-American General Secretariat]
88. UNDP, UN Development Programme
89. UNHCR, UN High Commissioner for Refugees
90. UNICEF, UN Agency Children's Fund
91. World Bank Group

# OECD Development Co-operation Peer Reviews

## SPAIN

The OECD's Development Assistance Committee (DAC) conducts peer reviews of individual members once every five to six years. Reviews seek to improve the quality and effectiveness of members' development co-operation, highlighting good practices and recommending improvements. Spain has put the 2030 Agenda at the centre of its foreign policy and development co-operation. It works in alliances to reach the Sustainable Development Goals, internationally and in partner countries. Spain is valued for its work in horizontal and inclusive partnerships, and its ability to mobilise public sector expertise to capture and share knowledge. As Spain embarks on a comprehensive reform of its development co-operation strategy and architecture, this peer review provides a set of recommendations to improve strategic steering, streamline its administrative framework, strengthen human resources and fully mobilise its financial co-operation.

