

CHAPTER 4

SPANISH ODA: A NEW FRAMEWORK TO ANALYSE THE ONGOING REFORM'S FINANCIAL EFFORTS AND CHALLENGES

International Cooperation for Global
Justice Report 2023



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Intermón



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CHAPTER 4 SPANISH ODA: A NEW FRAMEWORK TO ANALYSE THE ONGOING REFORM'S FINANCIAL EFFORTS AND CHALLENGES

SPECIFIC PROPOSALS FOR DECOLONIAL, FEMINIST AND ANTI-RACIST COOPERATION IN SPAIN

In chapter 2, we addressed the need to transform cooperation by repoliticizing cooperation policy's actors, content and outcomes. In this chapter, we will describe some of these aspects for Spanish cooperation in order to open up reflections and possibilities for courses of action to transform Spanish cooperation into policy action for global justice.

Firstly, it should be noted that in recent years there has been a relevant emphasis on the inclusion of decolonial, feminist and anti-racist approaches in the discourse of Spanish social organizations.¹ However, this discourse is rarely developed and even less often put into concrete policy action. With the exception of the feminist approach, which is better developed and addressed by some organizations in the sector, the decolonial and anti-racist aspects are no more than general statements without specific content, although efforts are being made to change this.²

In the first chapters of this report, we have put forward ideas to coordinate the responses needed as the paradigm is shifting, highlighting the multifaceted nature of reality. Simply put, if cooperation is to help transform the current power relations that produce inequalities, poverty and the destruction of the planet, its sexist, colonial and racist foundations must be critically examined.



This call for self-criticism and reflection concerns both governmental actors and the social organizations involved. The way forward is much more complex, profound and difficult to address than it may seem, and will not be resolved by discourse alone. There is little point in claiming to be feminist, anti-racist or decolonial if this difficult transition is not used to unlearn ingrained everyday practices. Defending decolonial cooperation is an arduous task for a country from the donor group because it involves that group accepting being stripped of most its power and, to some extent, its identity. Something similar happens when a man understands that being a feminist means giving up the privileges that status entitles him to in our patriarchal societies. These powers are sometimes exercised unintentionally or unconsciously, simply through inertia from what is considered normalized – yet this does not detract one iota from the sexist nature of these actions.

In short, we are facing a large-scale challenge given its difficulty, but far-reaching in its transformative potential. The increased references and demands from social organizations calling for these critical approaches are very relevant. Similarly, increased dissemination, reflection and debate, training and awareness-raising actions in society are equally pertinent. In this chapter, we begin a task that will be subsequently expanded and developed to renew the social and political foundations of cooperation. To this end, we will propose an analysis of the ODA financial framework from a critical perspective more in line with the current challenges, and we will interpret the state of the Spanish cooperation reform, which has occupied much of the efforts over the last two years due to the passing of the new law³ that has not been fully implemented. This is a first step, since, as we have mentioned in other chapters, we need to carry out this type of analysis on other issues, such as the relations with social organizations, specific instruments, knowledge production and communication activities.

SPANISH ODA ANALYSED FROM A NEW FINANCIAL FRAMEWORK

It is worth recalling how Spanish ODA has evolved over the last two decades, according to figures published and reported by the DAC. This will be the starting point for the analysis that follows, for which we propose using a new approach based on decolonial and feminist principles.

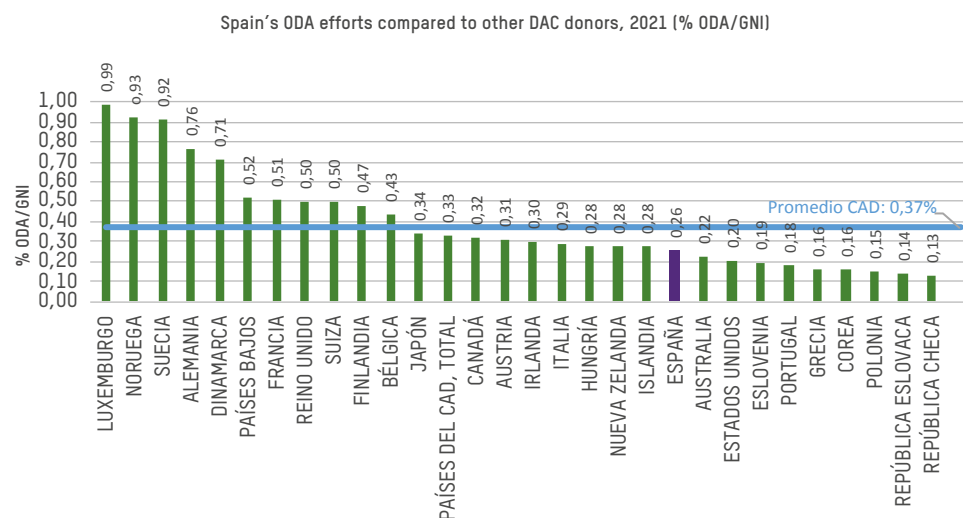
Implemented ODA data for 2021 show no significant developments for Spanish cooperation. In comparative terms, Spanish ODA lags at the bottom of the donor list and is far behind the figures presented by neighbouring countries.

As can be observed in Figure 10, Spain ranks number 21 in efforts measured in ODA/GNI terms – well below 0.7% and the DAC's average of 0.37%. The country has dropped one place since last year, having been overtaken by Italy. Only nine countries are below Spain's ODA figures.

THIS CHAPTER, WE BEGIN A TASK THAT WILL BE SUBSEQUENTLY EXPANDED AND DEVELOPED TO RENEW THE SOCIAL AND POLITICAL FOUNDATIONS OF COOPERATION. TO THIS END, WE WILL PROPOSE AN ANALYSIS OF THE ODA FINANCIAL FRAMEWORK FROM A CRITICAL PERSPECTIVE MORE IN LINE WITH THE CURRENT CHALLENGES



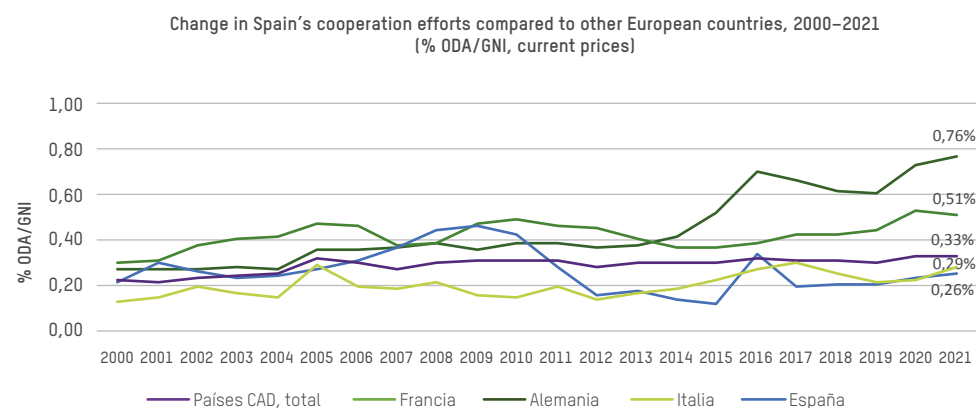
FIGURE 10: COMPARISON OF DONOR COUNTRIES' ODA EFFORTS IN 2021 (% ODA/GNI)



Source: OECD DAC Total flows by donor (ODA+OOF+Private) [DAC1], recovered from: <https://stats.oecd.org/>
NOTE: Grant equivalent base measurement, current prices.

If we take Spain's three neighbouring countries – geographically and socio-economically – we can see that the Spanish efforts have a long way to go before they match the figures from Germany (0.76%) and France (0.51%), and Italy (which overtook Spain in 2021 at 0.29%). In the preliminary data for 2022, the DAC shows that Italy reaches 0.32%, ahead of Spain at 0.30%. Germany reaches 0.83% and France 0.56%. However, as the DAC warns, most of these increases are due to donor countries covering refugee costs.⁴ We will come back to this matter later.

FIGURE 11: CHANGE IN SPAIN'S COOPERATION EFFORTS COMPARED TO GERMANY, FRANCE AND ITALY (2021)



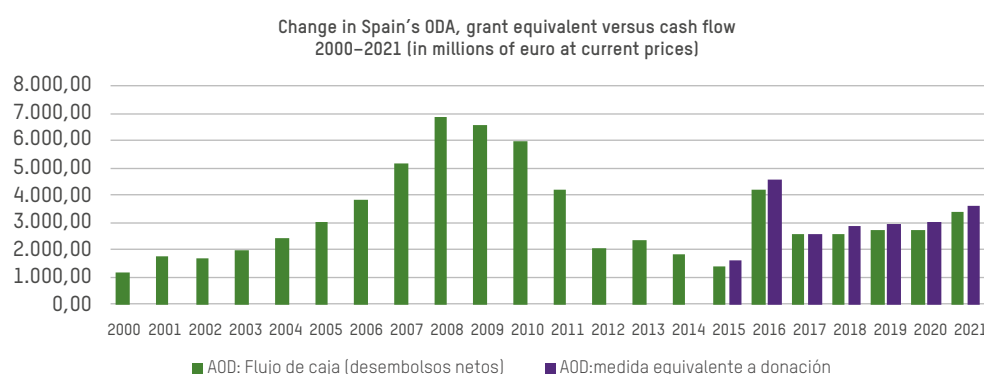
Source: OECD DAC Total flows by donor (ODA+OOF+Private) [DAC1] <https://stats.oecd.org/>. The data from 2018 to 2020 are calculated on a grant-equivalent basis



We will now examine how Spanish ODA has evolved in the 21st century to get a broader perspective on Spain's cooperation behaviour. During this period, Spain has had seven governments, weathered the global financial crisis in 2008, implemented adjustment programmes imposed by the European Troika (the European Commission, European Central Bank and the IMF), and seen the emergence of new political parties, the only successful vote of no confidence in Spanish democracy (2018) and part of the first coalition government's term of office since the Second Spanish Republic. Furthermore, this period also includes the first responses to the crisis due to the global COVID-19 pandemic, followed by Russia's invasion of Ukraine.⁵

Figure 12 shows the evolution of Spanish ODA in absolute terms, which exceeded €3.5bn again in 2021, a figure that was reached for the first time in 2006 and had not been exceeded since 2011.

FIGURE 12: CHANGE IN SPAIN'S ODA, GRANT EQUIVALENT VERSUS CASH FLOW, 2000–2021



Source: OECD DAC Total flows by donor (ODA+OOF+Private) [DAC1], recovered from: <https://stats.oecd.org/>

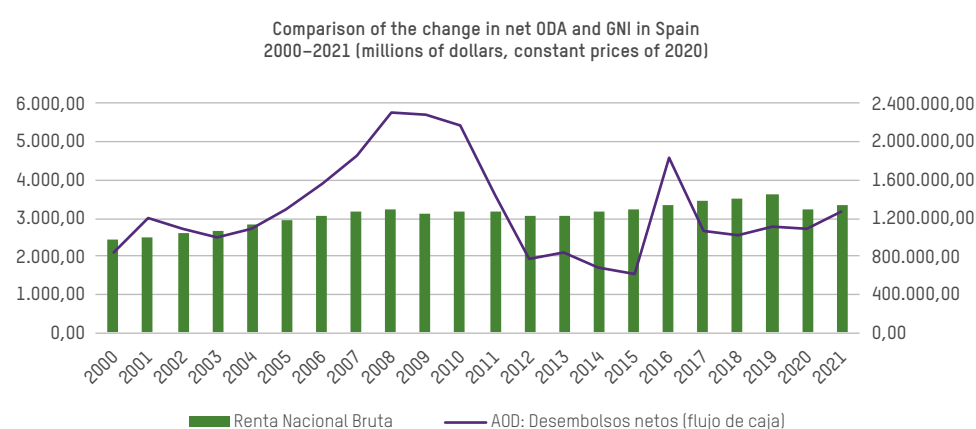
As can be seen, after the 2004–2008 growth cycle, Spanish ODA dropped to a historic low until 2015 when implementation remained below €1.4bn. Subsequently, there was a slight upward trend and a recovery in absolute terms, reaching €3bn in 2021, a figure similar to that implemented in 2005 and 2006. However, it is still far below the record of €6.8bn in 2008. This remains unchanged from last year's report,⁶ as the clear increase of 23% seen between 2020 and 2021 (22% according to the grant equivalent measurement) is mainly due to items related to COVID-19 vaccination, rather than reflecting a new structural distribution of expenditure that would reflect a consolidated increase beyond specific circumstances. We will analyse this in more detail below.

The differences observed from 2015 onwards according to the calculation method are favourable for all years, as the grant equivalent measurement slightly increases the Spanish ODA figures. This is normal given the specific weight of financial cooperation overall, which, as we explained in the previous chapter, is recalculated based on an average interest rate set generously for the country providing loans and other repayable operations.



Last year, we also warned that there was no clear relationship between Spain's national income and its annual ODA disbursements. This means that the repeated justifications and promises made by government officials every year can be dismissed as valid when they request for ODA contribution to be considered a notable effort given the country's economic difficulties, or when they claim they will meet the 0.7% target when the economic circumstances allow. Figure 13 shows that since the beginning of the 21st century, Spain's ODA contributions have varied from year to year regardless of the country's wealth. This was the case both in the growth period (2004–2008) and during the period when cooperation was dismantled (2010–2015).

FIGURE 13: COMPARISON OF THE CHANGE IN NET ODA AND GNI IN SPAIN (2000–2021)



Source: OECD DAC Total flows by donor (ODA+OOF+Private) [DAC1], recovered from: <https://stats.oecd.org/>

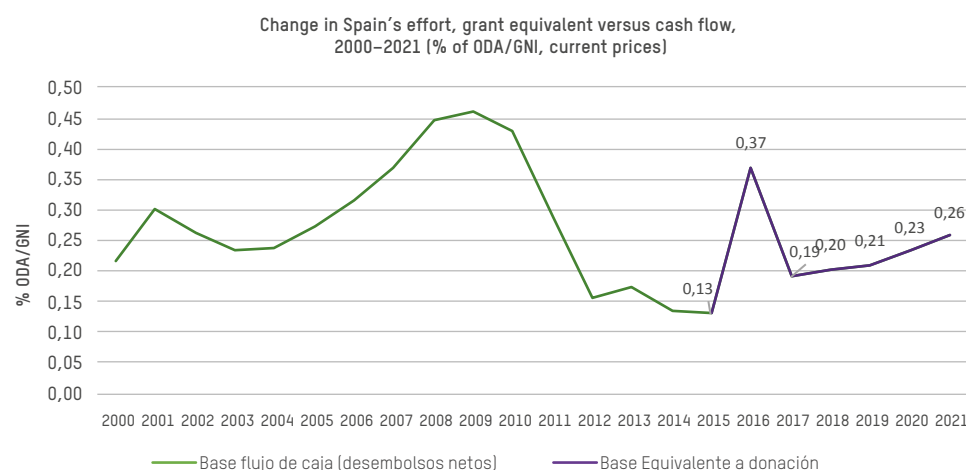
The traditional ODA/GNI effort indicator is useful to compare each country's involvement in the common cooperation system goals and see the extent to which each country is meeting the 0.7% GNI target, which has been in force since 1970. Both are useful in measuring countries' level of political will and commitment to ODA. Beyond that, no link can nor should be drawn between a country's income and its ODA commitment, given that, as the figure above shows, they are unrelated. A country's income is calculated as a result of a given economic dynamism – only what is monetized, overlooking other issues such as the environment or care work⁷ – whereas ODA figures come directly from policy implementation and the government will. Linking the two, as is too often done in discourse and narratives, is a crass justification strategy that implicitly means that ODA is seen as a *goodwill* or *generous* contribution. It therefore distances it from any attempt to link international cooperation efforts to obligations and mandates based on global justice and reparation.

However, different governments have taken different approaches to Spain's ODA efforts, as shown in Figure 14. Excluding 2001 and 2016, which show spikes due to exceptional amounts in external debt transactions, 2000 to 2004 showed a slight increase in effort, taking ODA from 0.22% to 0.24%, which is relatively similar to the current period of 2017 to 2021 (0.19% to 0.24%), although the latter is slightly more pronounced.

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FIGURE 14: CHANGE IN SPAIN'S EFFORT, GRANT EQUIVALENT VERSUS CASH FLOW, 2000–2021



Source: OECD DAC Total flows by donor (ODA+OOF+Private) [DAC1], recovered from: <https://stats.oecd.org/>

It is hard to believe that we are at the beginning of an important, consolidated cycle of increase in line with the commitments, given that the coalition government agreed to reach 0.5% by the end of its recently completed term of office, but the amount budgeted for 2023 was only 0.34%. This increase in the budgeted amount is not enough to reach the promised 0.5%, especially considering that the government has approved three new consecutive budgets in 2021, 2022 and 2023 without accepting the budgetary carryovers.

The data available to date on budget implementation indeed correspond to 2021, and at the end of this period, Spain's ODA was 0.24% (0.26% in grant equivalent), efforts similar to those made in 2004. During the next legislative term, the government will have to increase its efforts considerably to reach the 0.7% target as soon as possible, taking the period when Spain reached its historical peak as an example (0.46% in 2009) and surpassing it. Otherwise, it would be impossible to reach the 0.7% target by 2030, as set out in the new law on cooperation for sustainable development and global solidarity.⁸

In 2022 and 2023, the Spanish government budgeted €3.507bn and €4.419bn, respectively, representing 0.28% and 0.34% of ODA/GNI.⁹ As mentioned above, despite the clear budget increases (12.6% and 26%), the ODA budget is still a long way from the 0.5% pledge for the end of the legislative term.

The preliminary implementation data for 2022¹⁰ have positive and negative points. The encouraging part is that the budget has exceeded expectations and reached €4bn, equivalent to 0.30% of ODA/GNI in grant equivalent. The more questionable part is that almost all of the increase compared to what was implemented in 2021 corresponds to the €808.70m used to support Ukrainian refugees in Spain. This item represents a 412% increase compared to the amount implemented in 2021 (€196.25m). No other item shows a significant variation that would explain any new developments compared to previous years. It can be argued that the observed increase is not due to a process of sound and structural increase of public policy, but to temporary responses that, as we already observed in 2021 with the response to COVID-19, inflate aid figures without showing that the increases are soundly strengthening policy.



BOX

SPANISH FINANCIAL COOPERATION: WINDS OF CHANGE, BUT WHERE TO?

Bob Dylan once sang in one of his legendary songs not to criticize what cannot be understood. That's why Spanish NGOs have recently endeavoured to understand and approach the financial cooperation instrument **critically but constructively**. However, on the side of the various parts of the public administration that manage it, the same desire is needed to work with civil society organizations and build something together.

The recent Law 1/2023 of 20 February on Cooperation for Sustainable Development and Global Solidarity was approved at the same time that the Spanish financial cooperation reform began. With this law, **FEDES** was born – the Spanish fund for sustainable development – to replace the hitherto existing FONPRODE (the development promotion fund).

This law, which NGOs have considered to be a step in the right direction, contains some positive elements – many of them related to continuity – in relation to FEDES. These include its **inclusion** in the general objectives of Spanish cooperation; the commitment of the Secretary of State for International Cooperation's political leadership and the organizational ties of the AECID; the continuation of the untied nature of repayable aid; the obligation to carry out a due diligence analysis; and FEDES' commitment to submit an annual report to Parliament and the Cooperation Council.

It is worth mentioning that most of the thorniest issues concerning FEDES' workings, such as its governance bodies, strategy, priorities, etc. have yet to be worked out in a **specific regulation** that is being drafted. Furthermore, the matter of the institutional architecture that will govern the instrument in the medium to long term is being delayed by setting up a working group to study this future institutional design in the coming months.

However, the Spanish public administration's main concerns about the new FEDES seem to be based on **'how much'** – i.e. the amount of ODA it will be able to pay with this instrument. There seems to be less interest in **'what'** – i.e. what the funds managed by this channel are used for. Similarly, less energy is being devoted to debating the **'how'** – i.e. which institutional structure would be the most appropriate and which stakeholders should be involved in designing, monitoring and implementing the operations.

First, let us talk about the **'what'**. FEDES will now need to be given purpose and context. The foundations must be laid for sustainable, effective, efficient and transparent financial cooperation that represents additionality and is based on the principles of aid effectiveness, rather than on massive short-term disbursements that could be counterproductive to the objectives pursued – in other words, **quality over quantity**. It should be an instrument to support social policies in the Global South and to strengthen the small and medium-sized productive fabric, promoting the social

and solidarity economy, while respecting the highest environmental and human rights standards. To this end, in line with its greater integration with the rest of the Spanish cooperation, the fund should also move towards **feminist financial cooperation** prioritizing women's economic and political rights, a just economic transformation, the care economy, respect for diversity, etc. The new instrument should never be used to approximate the internationalization funds of Spanish companies, which have different requirements and objectives. Doing so would **clash with the development approach and the untied aid** of the operations to be supported, which should be considered as a whole, rather than only the part from FEDES funds. This should be a red line as the source of the split from the FAD and the creation of the predecessor FONPRODE.

With regard to the issue of **'how much'**, development aid is essentially perceived as an expense rather than an **investment**, a driver of others' and one's own wellbeing or as a contribution to global public goods and justice in the world. To this end, ODA is being restricted and redirected towards financial cooperation, on the assumption that it will not generate a deficit. It is therefore included under the 'investment' budget heading, meaning it requires a report from the tax authorities confirming that it poses no risk to Spanish public deficit. One solution would be for Spanish financial cooperation to receive, in the medium term, a significant provision from the general state budget – say, twice the maximum amount authorized annually by FONPRODE, i.e. around €750 million – entirely against the deficit, but only for one year. This would serve to **capitalize** the instrument and from then on FEDES would manage its treasury properly, which would be sustainable without having to resort to the public budgets every year. The key to this would be to create an institutional arrangement for financial cooperation, which would provide access to financial markets. From then on, the general state budget items every year would be for **non-refundable ODA**.

In this context, financial cooperation cannot be the channel through which all hope is pinned for reaching the 0.7% target, because whether measured as net aid (subtracting annual repayments from the initial disbursement) or using the new financial ODA methodology (depending on the donation component), only part of the FEDES budgetary allocations will actually qualify as development aid after implementation. That is the **real ODA** – the implemented ODA – not the general state budget's inflated figures. To illustrate this with figures, we can look at the table from the last Cooperation Council report on this issue:

FONPRODE'S MAIN FIGURES IN RECENT YEARS (IN MILLIONS OF EURO)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual provision	285,2	245,2	245,2	235,2	235,2	199,2	199,2	199,2	199,2
Operations limit	420	385	375	375	375	375	375	375	375
Vol. approved by Executive Board	207,6	54,6	87,3	55,3	71,6	27,9	125,6	116,1	179,3
No. operations approved by Executive Board	50	7	10	6	7	4	8	16	15
Authoriz. Minis. Council	157,6	94,2	72,8	32,7	22,2	42,3	49,9	112,8	205,3
Contribution to ODA		-6,1	-114,5		-60,0	-29,7	-39,3		0,3

It would also be good to learn from the past. For example, the implementation pressure FONPRODE experienced at its inception led it to undertake large-scale operations without much prior analysis or monitoring. At this new stage, it would be better if this **implementation pressure** did not lead FEDES to make the same mistakes, which could result in a reputational crisis, i.e. a loss of confidence in the instrument as a driver of inclusive, sustainable development. Nor would it be desirable for political commitments not exclusively related to development cooperation, including environmental commitments, to be channelled through FEDES, which should be additional.

As for the **'how'**, from a civil society perspective, the financial cooperation reform process could have been more **inclusive** if social organizations had been involved in the initial debates. Social organizations could have been given a stronger role in the new instrument, in line with the new law and the strategic partnership reflected in the recent framework partnership between NGDOs and the Spanish public administration.

Things could still be done differently, with greater involvement and **participation of NGDOs**. There are opportunities to involve civil society, in the final design process for the instruments, the FEDES regulation and the group developing the medium-term architecture; strategic guidance; operation monitoring; operation implementation,

for example, with technical assistance and with **specific lines** for impact investment work (which was addressed in another box in this report); and assessing the operations' outcomes. It is not too late to change course. Furthermore, there are examples from Spain: besides the few attempts of decentralized cooperation to work with these instruments, the Catalan and Basque cooperation agencies have started discussions on this, and the processes have always been initiated with NGDOs, opting for an inclusive instrument design.

We hope that the Spanish financial cooperation will seriously consider **NGDOs as partners** and put in place the effective mechanisms to do so. This could help avoid the feeling, as Dylan said in another of his songs, of '[being] on your own, with no direction home'.

Carlos Botella. Oxfam Intermón. Financial Cooperation Spokesperson for the Coordinadora de NGDO-España.



DECLARED SPANISH ODA AND GENUINE ODA

The DAC's criteria for determining which disbursements and operations qualify as ODA have long reflected contradictions and inconsistencies. During the 1990s, 'dual-use' trade loans were reported as ODA, thus linking supposed development criteria with donor countries' corporate internationalization objectives. In Spain, many analyses and social mobilization actions denounced these illegitimate items as contrary to the basic principles of development. Later, reporting 'dual-use' military equipment was also the subject of controversy and political disputes, particularly in the context of the invasions of Afghanistan and Iraq in 2002 and 2003. Later, Germany inflated its aid – which coincided with the country's increase in ODA – by including large sums to finance student costs, both in the EU and other countries, through scholarships and other types of funding. In 2021, Germany reported €1.4bn and France €700m for this category in their ODA figures.¹¹ More recently, COVID-19 vaccines and aid in the past two years for refugees from the war in Ukraine have been included.

This temporary increase in response to the refugee crisis, now continuing following the invasion of Ukraine, was a joint response by most of the European countries that predominate the OECD donor club. In 2016, after the refugee crisis caused by the war in Syria, refugee aid from all of the DAC donor countries was 11% of total ODA, while in 2022, it was 14.4% of the total ODA. If we remove the increase due to this type of expense from the total increase seen between 2021 and 2022, the total ODA from the DAC countries would have grown by only 4.6% and not by 13.6% as the total figures indicate.¹² Furthermore, these figures are from the same year as the invasion of Ukraine, meaning that it could be reasonable to think that the figures could be higher for 2023. Spain, for example, has budgeted a higher amount than what was implemented in 2022.

The European NGO network, CONCORD, publishes its annual AidWatch report¹³, which analyses the European donor countries' ODA in terms of *genuine aid*, to reveal the practices used by different countries to inflate ODA. The main aim is to consider whether the operations financed as ODA genuinely contribute to development or international cooperation objectives and whether they represent a real effort on the part of the donors. The Policy Coherence for Sustainable Development principle and the application of the 'do no harm' principle highlight the need to clearly distinguish which contributions genuinely support sustainable development and which do not.

The AidWatch 2022 report, which analyses the figures for 2021, highlighted the costs reported by countries for purchasing COVID-19 vaccines that were sent to other countries because surplus vaccines had been purchased for their own populations. One of the consequences of the European states' mass-purchasing vaccines was that it hindered other countries from accessing them. Moreover, the act of donating them meant that the governments of the receiving countries could not work with the predictability needed to distribute them to their populations in an effective and orderly manner. These are more than enough reasons to believe that the inclusion of these costs in ODA only serves the interests of the donor country, which wants to appear

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more generous while trying to disguise how far its efforts are from reaching the 0.7% target.

The types of expenses that member countries report as ODA that are not considered genuine ODA are training and student costs, costs for supporting refugees in the donor country, tied aid operations, debt relief payments, interest payments on loans and costs associated with donating surplus vaccines.¹⁴ The elevated interest rate at which donors have agreed to calculate the grant equivalent measurement should be added to the above.¹⁵

In its report, CONCORD proposes a methodology to calculate which part of ODA from European donor countries should be questioned to determine genuine ODA figures that reflect a more realistic measure of countries' real cooperation efforts. Broadly speaking, the 2021 data show that €1 in every €6 reported by EU member states as ODA did not correspond to costs considered genuine ODA. In 2021, practically half of inflated ODA figures corresponded to surplus COVID-19 vaccines. According to AidWatch, Spain's genuine ODA was 0.19%.¹⁶

In terms of genuine ODA, the analysis is only applicable to bilateral cooperation based on the type of operations and the information available, which is why only 35% of Spain's total ODA is reviewed. This correlation between bilateral and multilateral cooperation (35%–65% in 2021) shows the structural and strategic weaknesses of Spanish cooperation after years of dismantling, as almost €2 out of every €3 spent corresponds to compulsory contributions. We have already seen that the increases in the early years of the coalition government are mainly due to temporary items that inflate aid and therefore undermine quality, calling into question the strength and soundness of the slight upward trend observed in recent years. In 2020–2021, half of the increase was due to including surplus vaccines, and according to preliminary data, almost all of the 2021–2022 increase was because the costs associated with hosting refugees in Spain grew by 412%.

EXPLORING A DECOLONIAL ANALYSIS FRAMEWORK TO ANALYSE ODA

The decolonial perspective lets us create new ideas about the financial framework for development that are more in line with the necessary transformations and inspire a new analysis of ODA as a way of expressing the solidarity of the Spanish population. Based on the idea that we outlined in the previous chapter, we must stop considering ODA as money that belongs to the donors and rather see it as a compulsory contribution to a global public fund belonging to the communities in the Global South.¹⁷ Although this idea may initially seem surprising, it is perfectly recognizable in our societies

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where, once citizens pay their taxes, the allocated funds are considered as belonging to their intended target. For example, if a fund is for pensions, pensioners come to mind; if it is for public health, we understand that the funds are for everyone who needs healthcare. This idea is also perfectly compatible with the processes of accountability, effectiveness and quality requirements of the services they provide, as well as all the transparency standards required of their managers.

From the donor countries' point of view, making ODA a compulsory contribution under these conditions would not only help to considerably reduce the notion of concessionality and arbitrariness, which, as we have noted in chapter 3 of this report, are real limitations for cooperation system renewal. Rather, it would set new standards and mechanisms for management and accountability, much more in line with a global system of solidarity based on the common but differentiated responsibilities principle. This idea will have to be taken forward and further developed through proposals for the governance and management of this global public fund, which will need to be inspired by multilateral, regional initiatives with a degree of experience. In fact, a large part of ODA, particularly its multilateral modality, comprises compulsory contributions from countries to international institutions, which in Spain's case is to the European Union.¹⁸ European countries are well aware of the importance of cohesion funds, which are compulsory and have been an instrument of territorial and social cohesion that has had an enormous impact on reducing some of the disparities between member countries.

Cooperation would therefore make strides regarding its decolonial agenda, as this global public solidarity fund would help to reverse the current framework of relations, which retains a certain colonial air: based on donors' goodwill and arbitrary decisions, it reproduces a vertical power relationship that reflects the profoundly unequal coopera

FAILING TO REACH THE 0.7% TARGET: CALCULATING AND RECOGNIZING A HISTORICAL DEBT

In 2020, to mark the 50th anniversary of the 0.7% target set in 1970, Oxfam calculated that rich countries collectively owed \$5.7 trillion as a result of their continued failure to meet the 0.7% ODA target. This debt is owed to the poorest people in the world. The figure is nine times larger than sub-Saharan Africa's external debt stock at the end of 2019.¹⁹ The repeated promises to reach the 0.7% target in national government statements and documents, from international institutions and events, and in European Union programme documents have only served as an excuse to shift the focus away from the failure to reach the target by emphasizing donors' good intentions. Donors can appear to be committed, charitable governments controlling the narrative of global solidarity, presenting ODA as the product of their best intentions.

The decolonial perspective and practices of the cooperation system sheds light on this systematic behaviour of those who exert power in an unequal relationship. It counters the idea that donors are complying from the first euro they allocate to ODA and highlights that every time they fail to meet the 0.7% target, they refuse to acknowledge their responsibility in reproducing

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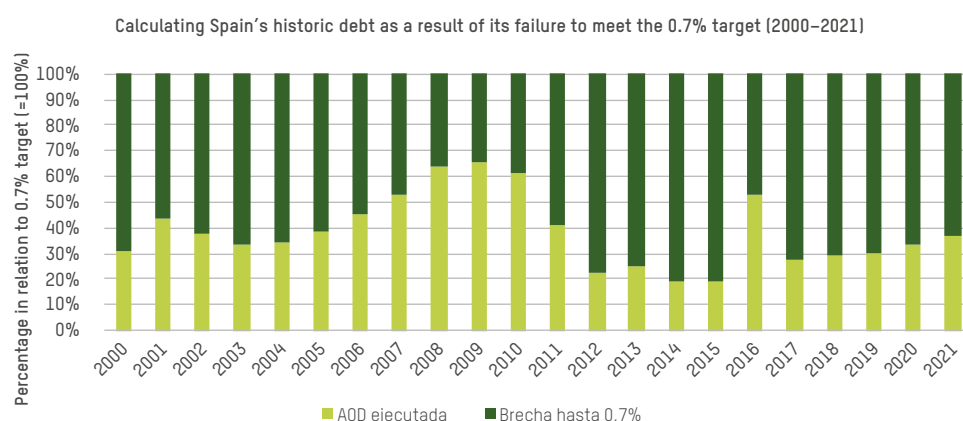


global inequality. International cooperation system renewal must begin by putting an end to the idea that Global South countries are inferior and do not manage resources properly. It must highlight the huge historic debt that rich countries continue to accumulate year after year owed to Global South countries.

The cooperation system, reconsidered from a decolonial feminist approach, points to a system of reparation *to change the terms of the conversation*. The term ‘cooperation’ in itself is problematic. From the outset, it implies power relations, albeit disguised as altruism and international solidarity.²⁰ Recognizing this historic debt as a result of donors’ failure to meet the target can offer a modest estimate of all of the resources and possibilities that donor countries consider their own, and in doing so ignoring the fact that they are the product of a long, historical relationship of domination and colonial extraction. Here is a first attempt at such a calculation for Spain’s ODA.

THE COOPERATION SYSTEM, RECONSIDERED FROM A DECOLONIAL FEMINIST APPROACH, POINTS TO A SYSTEM OF REPARATION TO CHANGE THE TERMS OF THE CONVERSATION. THE TERM ‘COOPERATION’ IN ITSELF IS PROBLEMATIC. FROM THE OUTSET, IT IMPLIES POWER RELATIONS, ALBEIT DISGUISED AS ALTRUISM AND INTERNATIONAL SOLIDARITY

FIGURE 15: CALCULATING SPAIN’S HISTORIC DEBT AS A RESULT OF ITS FAILURE TO MEET THE 0.7% TARGET



Source: Prepared by authors based on OECD DAC data Total flows by donor (ODA+OOF+Private) [DAC1], recovered from: <https://stats.oecd.org/> Current prices

NOTE: The 2015–2021 figures correspond to the grant equivalent measurement.

In current prices, not adjusted for inflation, Spanish ODA represented a contribution of €72,058.17bn for the 2000–2021 period. For that same period, if Spain had met the 0.7% target of ODA/GNI for each of those years, it would have contributed €113,606.96bn more. This is the amount of historic debt that Spain owes to ODA recipient countries, only taking into account the accumulated shortfall in the 21st century.²¹ The figure is equivalent to 11.3% of the gross national income (GNI) calculated by the Spanish government’s general state budgets for 2023.²²

Repayable Spanish ODA still represents a small part of the total – barely 2.9% of the bilateral aid implemented in 2021. As such, its impact on the total ODA amount is not particularly relevant at the moment. The Spanish government’s commitment to repayable financial cooperation is clear on paper, as it was the main driver for the legal reform that led to the new law passed in February 2023.



Two questions arise that we will now cover: What do we do with the amount we acknowledge as historic debt? What are the possible pathways for advocacy and new pacts for global justice with the institutional policy sphere?

In the coming years, this historic debt will keep growing as there is little prospect of Spain's ODA soon reaching the 0.7% target it has repeatedly pledged since 1991. Recognizing this calculation as a proxy for Spain's debt to the world's poorest people allows for a more coherent range of lobbying and advocacy actions to be explored for analysing Spanish development finance. This analysis should aim to make development finance a global public solidarity fund based on responsibility-based taxes and obligations for global justice, abandoning the current view of ODA as a charitable system based on donor goodwill and arbitrariness.

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POLICY SPHERE?**

ANALYSIS AND PERSPECTIVES OF THE SPANISH REGULATORY REFORM

Over the past two years, Spanish cooperation reform has dominated many of the debates in the cooperation sector and has played a leading role in the dialogue between government and social actors. Many analyses and proposals about sectoral issues, principles and approaches have been put forward.²³

Governmental efforts focused on reforming the cooperation law that has been in force since 1998. Beyond the reasonable need to renew certain discursive and declarative elements of the old legal text, this created an opportunity to review and renew structural and organizational issues, as well as the strengths and the functioning of Spanish cooperation. After two years of work focused on drafting the new law, which was finally approved by the Spanish Parliament in February 2023 with support from all parties except the far right, the functional and strategic aspects are still awaiting various regulatory developments. The premature end of the legislative term prevented these developments from coming to fruition, meaning that the next government will have to complete the reform.

DISCURSIVE PROGRESS, PENDING REGULATORY COMPLETION AND CHALLENGES TO BE ADDRESSED

The new legal text has clearly adapted and updated the discursive level of the policy, linking it to sustainable development and global solidarity as essential concepts underpinning international cooperation action. This is reflected in references to the 2030 Agenda as a common and shared framework, as well as the identification of global, transnational interdependencies and challenges as a new horizon and context. Moreover, the new law talks about the feminist nature of Spanish cooperation within the framework of the feminist foreign policy.



Paradoxically, as proof of its solidity, the new law reviews and recognizes the institutions and instruments that have shaped cooperation while Law 23/1998 was in force, and which it considers successful and the cornerstone of the entire Spanish cooperation system. However, the legal text does not explain or justify the shortcomings of the cooperation system or the current law, beyond the changes in the international context that it rightly summarizes. In this sense, the legal text is more focused on demonstrating the current cooperation system's soundness than highlighting the shortcomings that the legal renewal has to overcome.

The structure of the new text offers nothing new compared to the existing system, as it maintains its fundamental elements, such as the organizational ties to the Ministry of Foreign Affairs, the numerous committees for intergovernmental and inter-territorial coordination with social and private stakeholders. Nor are there any notable changes in terms of instruments, apart from the renaming of FONPRODE – now FEDES – which is set up without its own legal personality and affiliated with the AECID, as its predecessor was. The lack of new developments is due to legal reasons, as the administration has left it to the regulatory provisions to specify which aspects should be renewed for each element. As such, the law states that it would have to create up to seven new regulations within six months. In this regard, below, we will set more relevant policy milestones for each of them.

With regard to the risks arising from the ongoing reform process, the adoption of a more ambitious reform framework in line with the demands of the paradigm shift and the impact of multidimensional inequalities on the reproduction of global issues could be seen as a missed opportunity.²⁴ Three elements – structural independence of cooperation policy, the adoption of an ambitious policy coherence framework for sustainable development and the implementation of changes to decolonize cooperation – have been left out of the reform process for the time being.

Firstly, the opportunity has been missed to move forward with more independence from AECID with regard to the interests of foreign diplomacy, as other donors have been emphasizing in recent years. The so-called structural independence of development agencies refers to their independence from foreign affairs departments, which is essential to strike a balance between national and global objectives. There is ample evidence to show that organizational dependence on foreign affairs departments contributes to a significant decline in ODA. This was demonstrated in 2013 in Canada and Australia, whose agencies went back under the control of foreign policy after years of independence. Similarly, the British Department for International Development (DFID), considered exemplary for many years, was reinstated in the foreign affairs office in 2020 and saw its ODA of 0.7% plummet to 0.5%.²⁵

For the Spanish legal reform, the principle of structural independence, although discussed in some informal discussion groups, was dropped almost immediately from possible demands on the grounds there were no windows of opportunity to make progress on the issue. Time will tell if this lack of structural independence results in limitations on increasing ODA – in both numbers and coherence – but this is likely to be the case. The international context is causing increasing tensions between national and foreign objectives, which in turn is increasing attention among citizens and public opinion. Recognizing



these tensions as matters of public interest, and ultimately, an electoral interest, diminishes the possibilities of crafting narratives that sympathize with the interdependencies and the need to respond in terms of global justice. Overcoming the tensions between national interests and global challenges will shape the way forward, in a context in which the rise in nationalist and illiberal positions represents a certain threat, it is more necessary than ever to move towards global collective action policy programmes and mechanisms as a democratic expression of common but differentiated responsibilities.

Secondly, Article 3 of the new legal text considers policy coherence for sustainable development (PCSD) among the principles, objectives and priorities. It basically outlines the most general elements of PCSD, highlighting its relationship as a contribution to the SDGs and the need to coordinate with other ministries and all other autonomous and local administrations, placing these principles within the framework of coherence with the European Union. PCSD is also mentioned in other articles, as a principle that, alongside others like complementarity, must report on such things as planning, evaluation and financial cooperation. However, no specific mechanism or instrument for promoting PCSD in the administration is mentioned or established for applying said principle.

The law has thus missed the opportunity to include more advanced references to PCSD, which since the end of 2019, has a methodological proposal agreed by all OECD countries to be progressively applied in public policy implementation.²⁶ The importance of cross-border policy impacts on promoting PCSD should have been included in a legal text on international cooperation, given that this policy has the best possibilities to inform, analyse and advocate overall government action to achieve more coherent policies. This is a transformative potential that international cooperation can offer governmental policy as a whole, and one that does not seem to be considered. The legal text overlooks the efforts made by the government to specify and develop an integral PCSD system inspired by OECD and EU recommendations.²⁷ Creating specific mechanisms and instruments to promote PCSD is essential, and even more so knowing that there are highly topical and politically charged issues in which serious contradictions concerning sustainable development principles arise. This includes issues such as equity and human rights, outsourcing border control, border and migration control policies that affect the cooperation framework with African countries in particular or impact analyses of the investments and financial cooperation operations in socio-environmental matters and human rights. A broader perspective that aligns with a global justice agenda with PCSD mechanisms and instruments must gradually be taken on all of these issues.

Thirdly, the Spanish cooperation system has approached the reform process without acknowledging or accounting for the colonial legacy that permeates the entire international cooperation system. Nor has it made progress in overcoming the institutional weaknesses that hinder implementing a transformative feminist approach. The need to rebalance the power and address disparities in the international cooperation system and specific practices by which it operates has not been considered either. These issues also affect Spain as a member of the international system. There is an international political agenda in which some issues may be making headway,

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BUT DIFFERENTIATED
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such as increasing the representation of Global South countries and the most vulnerable communities in international institutions, reviewing and modifying the cooperation system's financial analysis framework, progressively including principles and practices inspired by decolonial feminism and the focus on tackling inequalities in the international cooperation system itself.

To this end, although recognition is still far off and the new law does not explicitly include the whole agenda, there will be several opportunities in the coming years to progressively include the decolonial perspective in policy practices, similar to the way anti-racist and feminist perspectives have been introduced to transform the persistent patriarchal, racist and colonial foundations that prevent reforms in step with current challenges.

NOTAS

¹Coordinadora de Organizaciones para el Desarrollo. (2021). Un nuevo sistema de cooperación para transformar el mundo [Spanish]. Accessed XX Month 202X. <https://coordinadoraongd.org/wp-content/uploads/2021/01/documento-reforma-sistema-FINAL.pdf>

²For example, Oxfam recently adhered to the Pledge for Change <https://pledgeforchange2030.org/pledges/> which includes some elements related to the decolonial agenda.

³Jefatura del Estado. (2023). Ley 1/2023, de 20 de febrero, de Cooperación para el Desarrollo Sostenible y la Solidaridad Global [Spanish]. Accessed XX Month 202X. <https://www.boe.es/buscar/pdf/2023/BOE-A-2023-4512-consolidado.pdf>

⁴OECD. (2023). ODA Levels in 2022 – preliminary data, op. cit. <https://www.oecd.org/dac/financing-sustainable-development/ODA-2022-summary.pdf>

⁵Only the full implementation data for 2021 are available to date. We will also refer to the preliminary data for 2022 published by the DAC and will reflect on the general state budget for 2023.

⁶Oxfam Intermón. (2022b). Cooperación Internacional para la Justicia Global, op. cit.

⁷Oxfam. (2023). Radical pathways beyond GDP. Why and how we need to pursue feminist and decolonial alternatives urgently, op. cit.

⁸Jefatura del Estado. (2023). Ley 1/2023, de 20 de febrero, de Cooperación para el Desarrollo Sostenible y la Solidaridad Global [Spanish], op. cit.

⁹See General state budget for 2022 [Spanish]: https://www.congreso.es/docu/pge2022/PGE_informe_AOD%20_2022.pdf and General state budget for 2023 [Spanish]: https://www.congreso.es/docu/pge2023/121-125-5_Propuesta_PGE-23-Informe_Ayuda_Oficial_al_Development.pdf

¹⁰Spanish Ministry of Foreign Affairs, the European Union and Cooperation. (2022). Avance de la Ayuda Oficial al Desarrollo. Año 2022 [Spanish]. Accessed XX Month 202X. www.cooperacionespanola.es/wp-content/uploads/2023/04/Nota-Avance-AOD-2022.pdf

¹¹CONCORD. (2022). AidWatch 2022: Is the EU a payer, player... or just full of hot air?, op. cit.

¹²OECD. (2023). ODA Levels in 2022 – preliminary data, op. cit.

¹³CONCORD AidWatch reports. <https://aidwatch.concordeurope.org/aidwatch-reports/> Accessed XX Month 202X.

¹⁴Ibid.

¹⁵We analyse the consequences of this agreement to change the calculation in the previous chapter. There are two main ones: inflating ODA figures by using a very high average rate in relation to the real costs and providing a major incentive for donors to extend their repayable operations beyond what is relevant and necessary according to sustainable development criteria.

¹⁶CONCORD AidWatch reports. <https://aidwatch.concordeurope.org/aidwatch-reports/> Accessed XX Month 202X.

¹⁷International Institute of Social Studies (ISS) – KUNO – Partos. (2022). Whose aid? Findings of a dialogue series on the decolonisation of aid, op. cit.



¹⁸This totals no less than three-quarters of Spanish ODA.

¹⁹Oxfam. (2020). 50 years of broken promises. The 5.7 trillion debt owed to the poorest people. Accessed XX Month 202X. <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621080/bn-50-years-broken-promises-aid-231020-en.pdf>

²⁰O. Curiel. (2022). 'La cooperación internacional desde el feminismo decolonial'. In: Oxfam. (2022). Informe de Cooperación para la Justicia Global [Spanish], op. cit.

²¹Spain has been a DAC member since 1991, so the calculation could be extended to that year as its commitment to the 0.7% target was formalized upon entry. In the second half of the 1970s, Spain began to carry out some development aid operations. In the 1980s, development aid formed the bulk of the current institutional framework – instrumentally with the Annual Plans for International Cooperation (1986) and organizationally with the creation of the AECID (1988), which has always been under the auspices of the Ministry of Foreign Affairs.

²²Due to methodological reasons and available data, we calculated the historic debt based on official absolute and effort figures. If the calculations had been based on the genuine ODA figures, the shortfall would have been much higher, probably around 15%, as has been observed in recent years for inflated aid.

²³La Coordinadora de Organizaciones para el Desarrollo. Reforma del sistema de cooperación. Documentos. <https://comunidad.coordinadoraongd.net/course/view.php?id=36#section-0> Accessed XX Month 202X.

²⁴See chapters 1 and 2 of this report.

²⁵H. Janus. (2022). 'OECD DAC development cooperation', In: K. Sims, N. Banks, S. Engel, P. Hodge, J. Makuwira, N. Nakamura, J. Rigg, A. Salamanca and P. Yeophantong, P. (Eds.). (2022). The Routledge Handbook of Global Development (1st ed.), op. cit.

²⁶OCDE (2019). Recomendación del Consejo sobre coherencia de las políticas para el desarrollo sostenible. OECD/LEGAL/0381 [OECD Legal Instruments](#)

²⁷141La Mundial & Political Watch (2022). Sistema Integral de Coherencia de Políticas. www.mdsocialesa2030.gob.es/agenda2030/documentos/sitIntCPDS.pdf

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