

PERSONAL THOUGHTS ON SPAIN'S CURRENT MULTILATERAL DEVELOPMENT CO-OPERATION POLICY

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Spanish co-operation for development is currently experiencing a period of intense transformation. The international context is, in general, favourable (a consensus on the Millennium Development Goals/MDGs, an increase in official development aid/ODA, etc), there is a high degree of political commitment from the government, a motivated management team and growing resources - elements that have not coincided before. For that reason, the development co-operation community in Spain has high expectations for the current project.

This analysis of what has been achieved after two years of legislature is appropriate although a fair evaluation would have to centre more on the process itself and on the intentions, rather than on the results, as too little time has passed to be able to observe the results adequately. Within this context, the multilateral area is one of the least developed sections of the new development co-operation policy and the results may appear to be very modest. However, this perception could be due, in part, to the inadequate amount of work the government has done to disseminate information.

The aim of this text is not to evaluate Spanish multilateral development co-operation, but merely to present some general ideas. The analysis starts by reviewing its evolution with regards to what is said and perceived. It then looks at the problem of the lack of an international analytical framework that is adequate for the Spanish case. Finally, some general comments with respect to the future are presented.

Multilateralism in Spanish Development Co-operation: From Rhetoric to Practice?

The multilateral area has always received a lot of attention in the discourse of Spanish development co-operation but, in practice it has proven to be an underdeveloped area of said policy. The 1998 Law of International Co-operation for Development is not ambitious; it is merely a call for Spain to participate actively in international development co-operation organisations (Article 6.2). In the first *Master Plan for Spanish Co-operation, 2001–2004*, the chapter devoted to multilateral assistance includes many descriptive aspects but, its few

* The opinions expressed in this text are the exclusive responsibility of the author and in no way reflect the official position of neither the ICEI nor the other entities to which the author makes reference.

recommendations are directed at characterising its contributions as a satisfactory response on the part of the organisations to Spain's national interests.

This policy seems to take a turn in 2005 when the *Master Plan for Spanish Co-operation, 2005–2008* (Ministry of Foreign Affairs and Co-operation, 2005) is approved. Besides being one of the first times that the Spanish government speaks out publicly on an ambitious policy line in this area,¹ it also introduces two important changes with respect to the past: on the one hand, it sets out this element as a priority, and on the other, it includes the explicit commitment to create a specific strategy document for this matter. In addition, the government has reiterated its intention to increase its contributions to this end.²

This decision may not greatly impress those who study international development co-operation and who know the strategy documents created by other donor countries over recent decades, but it is something new and positive in the Spanish case. In the assessments carried out by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) on Spanish development co-operation, this lack was repeatedly noted. In the 1998 report they observed that there was a lot of room to increase multilateral development co-operation, which was limited in comparison to other donor countries, and in 2001 the DAC drew attention to the need to explain their priorities explicitly, among other measures.

This problem has also been identified in various works of a more academic nature and in texts created by non-governmental organisations (NGOs). José Antonio Sanahuja notes that despite a clear multilateral commitment in its foreign policy, Spanish development co-operation in this area "has usually not occupied a very relevant position."³ Among the NGOs, the clearest criticism was expressed by the NGOD Co-ordinator in a 2001 document,⁴ in which they criticise the limited budget, the lack of policy documents, the excessive orientation towards returns⁵ and the lack of inter-ministerial co-ordination. The report *The Reality of the Assistance* reiterates these complaints and adds the problem of the bi-lateralisation of multilateral assistance - the so-called multilateral or multibi.⁶

¹ The study directed by José Antonio Alonso, *Estrategia para la Cooperación Española* (Madrid, Ministry of Foreign Affairs, 1999), includes a large chapter on the topic, but although it was ordered by the government, it is not an official government document.

² With respect to this, see: (1) Appearance of the Secretary of State for International Co-operation before Congress when it was debating the State Budget on October 14, 2004 (Official Bulletin of Congress, Number 109: 16); and (2) Appearance of the Secretary General of the Spanish Agency for International Co-operation before the Co-operation Commission to answer questions about the increase in multilateral development co-operation (Official Bulletin of Congress, Number 158: 8 -12). Nevertheless, generally, government interventions in this matter are affirmations of a general nature or descriptions of specific programmes, as there has been no monographic debate on the matter in Parliament.

³ José Antonio Sanahuja, "Multilateralismo y desarrollo en la cooperación española," *La Realidad de la Ayuda, 2005-2006* (Barcelona, Intermón-Oxfam, 2005), p. 135

⁴ "La Coordinadora de ONGD-España ante el Examen 2001 del Comité de Ayuda al Desarrollo de la OCDE". Madrid, CONGDE

⁵ Along these lines, the former Minister of Economy, Rodrigo Rato, indicated that "our presentation could be considered insufficient in relation to the weight and current importance of the country in the world economy..." ["España en los organismos económicos internacionales", Barcelona, Observatorio de la Deuda de la Globalización, Universidad Politécnica de Cataluña, 2001 (www.observatorideute.org)]

⁶ See "La ayuda multilateral", *La Realidad de la Ayuda 2005-2006* (Barcelona, Interpón, 2005).

Unclear Lessons of the International Experience

In order to assess this area with a certain amount of objectivity, it would be helpful to have some internationally recognised directives or “best practice” rules. The normal source for this type of exercise is the DAC, but curiously enough, this entity has no general guidelines although the topic is approached in the framework of other directives. This matter is possibly dealt with most clearly and generally in the guidelines for poverty reduction, where it is indicated how bilateral agencies can work more efficiently with the multilateral institutions.⁷

Nevertheless, the reports on development co-operation policies from DAC member countries, (peer reviews), have paid relatively little attention to this area until recently. An example of this can be seen in the latest report on the United Kingdom (June 2006), in which positive aspects of their multilateral policies are reported and it is recommended that their analytical framework of evaluation of multilateral organisations be transferred to other donor countries. In the recent report on Portugal, this topic is not even mentioned in the recommendations.

Another possible indicator deals with the various management systems of the DAC member countries.⁸ This document provides a brief analysis of multilateral contributions, detecting three new tendencies: (i) a greater effort to concentrate development co-operation in a reduced number of organisations that better reflect the strategic objectives of donor countries, based on more or less explicit criteria; (ii) the creation of strategy documents to evaluate the principal multilateral organisations (along these lines, various donor countries have united to do this jointly through the Multilateral Organisations Performance Assessment Network (MOPAN) which was created in 2002), and (iii) the growing bilateralisation of multilateral assistance.

Finally, a recent, more academic, study of the multilateral policies of four donor countries – Germany, Canada, France and Sweden – with comparative information from the United Kingdom, fails to offer clear conclusions on best practices in this field.⁹ This small sample shows the wide variety of approaches to be found in the international community. The study reveals that ‘model’ donor countries, such as Sweden and the United Kingdom, use the multibilateral model actively while Germany and Canada avoid it. This indicates different motivations, structures and decision making processes as factors that explain different policies. Finally, the lack of unique multilateral strategy documents in these four cases must be noted, as well as the non-existence of standard criteria to evaluate the multilateral organisations, although increased attention is being paid to matters related to the efficiency of multilateral institutions.

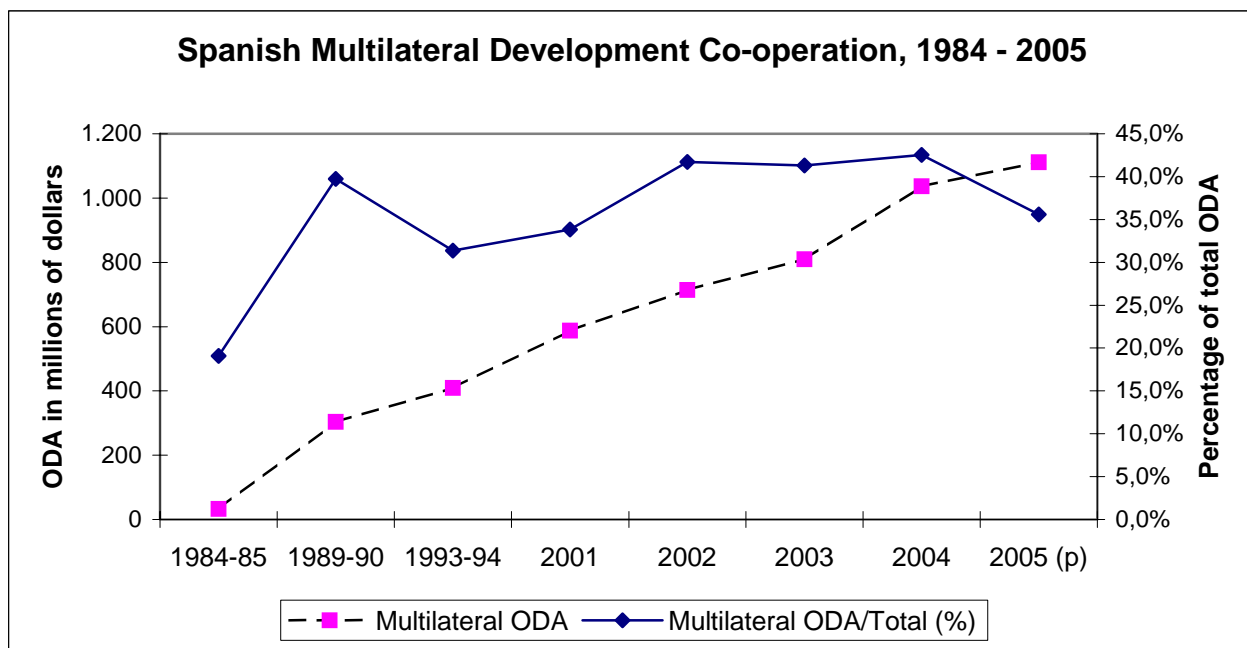
Preliminary thoughts for the future

Four types of criticism are regularly made regarding Spanish multilateral aid. The first concerns its limited volume, relative to the ODA.

⁷ Among other suggestions this report suggests that an agreement be reached among multilateral organisations to division of work that establishes feedback channels that participate in multilateral forums, that the support be predictable and long term and that they facilitate the procedures. (OECD. *DAC Guidelines. Poverty Reduction*. Paris, OECD, 2001 67)

⁸ OECD. *DAC Guidelines. Managing Aid. Practices of DAC Member Countries*. Paris, OECD, 2005:77-80)

⁹ Sven Grimm and Debie Warrener, *Relationships of the other donor organisations with multilaterals. Synthesis report*. London, Overseas Development Institute, 2005.



Source: Created by the author based on OECD data.
 Notes: Data for two years refers to the annual average; (p) is preliminary data.

The above graph traces the evolution of this aspect of Spanish development co-operation in both absolute and relative terms. One can clearly see that there has been a constant increase in volume over the last twenty years, but its relative weight has stayed relatively stable since mid-1990s. The percentage devoted to the multilateral area is above the DAC average, but if you eliminate the European Union/EU share (around one-quarter of our aid), multilateral development co-operation is rather modest.

Nevertheless, there does not appear to be a clear ideal level of multilateral aid, so perhaps this is not the most relevant topic. Moreover, if the current government's forecasts are confirmed, this 'problem' will soon disappear.

The second criticism is related to the bias towards the 'returns' on Spanish policy. The aforementioned study (Grimm and Warrener, 2005) indicates that this question appears as an important element among all the donor countries. The problem in Spain is that this topic has been the main priority of the policy and the question that should be asked is whether or not this situation is changing with the new government. The evidence here is ambiguous, largely due to the fact that a large effort to overcome the 'returns' tradition has to be made in the Spanish administration in this area.

A third criticism deals with the composition of multilateral development co-operation. A strong bias exists towards the international financial institutions (IFI), and the clout of the United Nations agencies has been minimal. This reality reflects the relative power of the Ministry of Economy responsible for the IFI investments and the limited budget of the Ministry of Foreign Affairs and Co-operation in this area. The present government emphasises United Nations policies – see the agreements signed recently with UNPD, UNIDO, PHO, etc. – and the EU, and bigger budgets are being seen. Nevertheless, it might take a few years to balance out the previous situation.

The fourth criticism points to the lack of a real policy for this matter, something that could be divided into articles in a White Book, a plan or a strategic document. There is clearly no existing text. Therefore, the second *Master Plan* establishes said objective as a priority for the legislature, and if achieved, Spain will find itself among a minority of donor countries with this type of document.

Now then, there is no evidence that a document of this type can resolve other general political or institutional limitations. In the first category, we find matters such as the fragmentation of responsibilities over multilateral policies. In this sense, a strategy fostered by the Ministry of Foreign Affairs and Co-operation might not be 'appropriate' for other ministries with important responsibilities. Therefore, the creation of said document must be accompanied by intense inter-ministerial work. In the Spanish institutional sphere there are few key tools to carry out more ambitious policies in this area. One cannot help but notice the lack of analytical and managerial capacity within the Administration. With respect to this, the reform of the Spanish Agency for International Co-operation is of vital importance, just as is the reinforcing of the units in charge of planning within the Ministry of Foreign Affairs and Co-operation.

To sum up, faced with the challenges indicated here, the present government has set up, or is setting up a series of different measures. It is not clear that the total sum of these measures will constitute a true policy, but, without a doubt, it indicates potentially significant improvements. In order for this potential to be realised, an enormous effort still lies ahead, the extent of which will be clearer when the multilateral strategy comes out in 2007.

Foroaod – Spanish Development Aid

FRIDE organised the project "Spanish Development Aid - Mid-term Review and a Proposal for a Participative Consultation" between June 2006 and April 2007. This project aims to develop a consultation process about the current Spanish government's development cooperation policy. We have created a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of "More Aid, Better Aid". A set of recommendation guidelines were developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy.

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