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DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE

Peer Review

Mid-term Review of Spain

The mid-term review of Spain was conducted in 2024 following the 2022 peer review.

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Deputy Director

DEVELOPMENT CO-OPERATION DIRECTORATE

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To: DAC Delegates and Observers

### **Spain's Mid-term Review, 19 November 2024, Madrid**

On 19 November 2024, I conducted the mid-term review of Spain with Emily Bosch of the Development Co-operation Directorate (DCD). I thank the State Secretary for International Co-operation Eva Granados Galiano, Directors, Director-General Sergio Colina Martín and officials in DGPOLDES at the Spanish Ministry of Foreign Affairs, the European Union and Co-operation (MAUC), as well as colleagues from the Spanish Agency for International Development Co-operation (AECID), the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP), Fundación Carolina, and the Ministry of Economy, Trade and Business for their engagement. My thanks also to the members of the Cooperation Council Commission and La Coordinadora for meeting with us, and to Pablo Cid and Juan Sainz Herrero for their close co-operation in preparing the mission.

The mid-term review focused on Spain's progress against the recommendations of the [2022 OECD-DAC Peer Review](#) and the key developments that have since occurred. We were very pleased to observe how Spain stands out as a leader working to implement reform in an ever-challenging global context. Specifically, [Law 1/2023](#) commits Spain to providing ODA equal to 0.7% of GNI by 2030 and modernises and expands the scope of Spanish co-operation around global solidarity to align efforts with international commitments like the Paris Agreement and 2030 Agenda. A legal commitment to ODA, a healthy [Spanish economy and outlook](#), and a committed public, with the highest proportion of any EU member state ([83% of its citizens, a ten-point increase compared to 2020](#)) that believes fighting poverty in partner countries should be a top priority of the Spanish government, all lay a strong foundation for the future of Spanish co-operation.

### **A new 2025 budget is an opportunity to deliver on Spain's ambitious, long-awaited reform of co-operation**

Spain has not yet approved a national budget for 2025. A constitutional mechanism allows the government to roll-over spending limits from the previous year, which is what already happened for the 2024 budget. [Law 1/2023](#) legally enshrines 0.7% of GNI and the Spanish Cooperation's [2024-27 Master Plan](#) sets out a medium-term trajectory to progressively increase ODA. While hard-won reforms of Spanish co-operation will continue to be implemented, an increased 2025 budget reflecting higher levels of ODA would put Spain on strong footing to follow the trajectory set out in the Master Plan and to meet this target.

### **Reforms are improving Spain's reputation and financial co-operation is expected to have a multiplier effect**

Royal decrees have enacted long-awaited reforms of Spanish co-operation (see **Annex** for details). For example, under the new AECID Statute AECID employees based in partner countries will be able to rotate to Madrid (and vice versa) and duty-of-care of personnel has improved. Multilateral and NGO partners alike no longer must reimburse unspent funds *with interest*, and the recent AECID Statute enhances its autonomy to approve some budget adjustments. Finally, one of the most anticipated reforms and decrees will formally create the Spanish Sustainable Development Fund (FEDES, former FONPRODE). With an expanded range of financial co-operation instruments and less onerous approval processes, FEDES should give Spain more flexibility to adapt to different contexts and increase its financial co-operation. For these reforms to succeed, additional human resources – dependent on necessary approvals – will need to be secured.

### **“Team Spain” is an opportunity for greater transparency and impact**

[Law 1/2023](#) enjoys political consensus and whole-of-society support. The depth and breadth of consultations in Spain and in partner countries and co-creation by the government, autonomous communities, civil society, and private sector on the Master Plan is impressive. This broad-based consensus has formed a genuine “Team Spain.” We heard from autonomous communities and civil society how the Inter-territorial Commission and the Council for Development Cooperation, which will be further enhanced and evolve during 2025 into the new Sectoral

Conference and the new Superior Council have helped to better align and co-ordinate local, regional and national levels, resulting in a heightened sense of ownership of the Master Plan and responsibility for its implementation by all actors. Further, Spanish co-operation offices (*Oficinas de la Cooperación Española*, or OCEs), operated by AECID, are now at the service of all actors of the Spanish co-operation system and ensure the coordination, implementation and monitoring of Spanish co-operation across all modalities.

Requests by the Spanish government and parliament for more information on the impact of public funding are an opportunity to invest more in transparency. One example of greater transparency is the Spanish Cooperation's [Annual Communication 2024](#), prepared by MAUC, that reports on progress in meeting objectives of the Master Plan. The work of a new Evaluation office will be indispensable in building the evidence of the impact of Spanish co-operation. AECID is investing in digital solutions and working to build more robust internal systems. Finally, Spain has been very active in the International Forum on TOSSD, which also testifies to Spain's commitment to transparency.

### **Spain defends multilateralism and does not shy away from fragile contexts**

Spain continues its unwavering commitment to peace and multilateralism, exemplified by its leadership in the context of the war in Gaza, and in hosting the forthcoming 4<sup>th</sup> International Conference on Financing for Development (FFD4) in Sevilla in June 2025. Preparations for FFD4 have fostered strong cross-government co-operation that will be useful in developing a Multilateral Policy Strategy for Sustainable Development, which Law 1/2023 mandates the Ministry of Foreign Affairs to develop in collaboration with the Ministry of Economy, Trade and Business and other relevant governmental actors such as environment and energy transition. Next, strategic partnership framework agreements with multilateral partners will define priorities and multi-year contributions.

Combating poverty and inequalities of all kinds, including caused by violence and armed conflict and the effects of the climate emergency is a central priority of Law 1/2023 and the Master Plan. Even as Spain withdrew its troops as part of the EU Training Mission in Mali earlier in 2024, it has stayed engaged in West Africa and the Sahel region (Mali, Mauritania, Niger and Senegal) and it recently set up a new sub-directorate for West Africa in MAUC.

### **Spain could go further in identifying and addressing the transboundary effects of its domestic policies**

Spain's political commitment to policy coherence for sustainable development is enshrined, regarding international cooperation, in Article 3 of Law 1/2023, and underscored as a whole-of-government approach in its 2030 Sustainable Development Strategy. The focus to date is on the impact of Spain's foreign policy and co-operation on the SDGs globally and in partner countries, which falls under the remit of the new Inter-ministerial Commission for Co-operation for Sustainable Development and Global Solidarity, chaired by the State Secretariat of International Co-operation (SECI). Plans to enhance dialogue with partner countries aim to support this effort, while rebranded co-ordinating mechanisms like the High Council for Co-operation for Sustainable Development and Global Solidarity and the Sectoral Conference are also involved. [Spain's strong score of 73/80 for SDG indicator 17.14](#) also concedes that tools need to be developed to analyse the effects of public policies on transnational dynamics and to monitor policy coherence for sustainable development. A next step could be selecting a specific policy area, such as migration or the ecological transition, to identify, discuss, and address potential or real negative transboundary effects in the framework of the Government's Delegate Commission for the 2030 Agenda, chaired by the Second Vice-President of the Government.

I was extremely encouraged by the progress made by Spain to address the DAC's 2022 recommendations as it pursues the transformation of Spanish Co-operation through legal reforms, policies, and activities of all actors. The next peer review in 2028 will be an opportunity to observe how Spanish Co-operation is equipped to face global challenges. Crucial elements will be continuing to secure political buy-in for development co-operation and investing in greater transparency and development awareness to secure annual increases in ODA.

I look forward to hearing more about how Spain is continuing to lead on important development issues at this critical juncture and how it is continuing to work in areas where it faces on-going challenges.

Yours sincerely,



Mayumi Endoh

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Annex: Table on progress against the 2021 peer review's recommendations.

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Recommendations	Progress (good/some/limited/less/no)
<p><b>1. Overall steer and vision, role of SECI:</b> 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.</p>	<p><i>Good progress.</i> <a href="#">Law 1/2023</a> designates the SECI the highest body of the Ministry of Foreign Affairs, European Union and Cooperation directly responsible for the planning and execution of the Government's action in the field of cooperation policy for sustainable development. The SECI leads negotiations across political parties to secure buy-in for overall policy and chairs the executive committee of FEDES, which is the new financial co-operation instrument.</p> <p>The new interministerial commission chaired by the SECI is regularly convened at a higher political level of commitment, with ministry representatives elevated to the level of Secretary of State or Undersecretary. This is where financial co-operation would be discussed, as well as issues of policy coherence for sustainable development.</p> <p>The High Council for Sustainable Development Cooperation and Global Solidarity, which meets twice a year, includes six vice-chairs, among them SECI, the Secretary of State for the 2030 Agenda, and the Secretary General of the Treasury. Representatives also represent autonomous regions and municipalities and civil society. Among its functions, the Council submits the Master Plan for approval of the government.</p> <p>Finally, the Sectoral Conference (former interterritorial committee) elevates development to the same level as other sectors like education and health, chaired at the Ministerial level, and involves the same diversity of Spanish Cooperation actors as those in the High Council.</p> <p>Law 1/2023 and the AECID statute clearly state that SECI provides the political vision, while AECID has responsibility for implementation. The division of labour between MAUC and AECID when it comes to multilateral partnerships (DGPOLDES is responsible for core contributions, whilst AECID is focusing on non-core, programmatic contributions, as well as contributions concerning humanitarian aid) seems clearer, but should be examined in the next peer review.</p>
<p><b>2. Synergies across actors / instruments:</b> 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:</p> <ul style="list-style-type: none"> <li>- steer collective action and results in countries and territories</li> <li>- further focus the Master Plan under shared priorities</li> </ul>	<p><i>Good progress.</i> The <a href="#">2024-2027 Master Plan</a> lays out an integrated strategy with sectoral, geographic, and multilateral priorities and a common vision. The strategy, elaborated through a broad consultation process with civil society, trade unions, and decentralised co-operation, serves as a compass for all Spanish co-operation actors and benefits from a strong buy-in.</p> <p>Different instruments can then be combined to realise common objectives, a process facilitated by the draft Grants decree, making the administration of grants more flexible. Law 1/2023 established FEDES as a financial co-operation instrument with more operational flexibility and autonomy, including the possibility to use grants to finance feasibility studies. Operational co-ordination across actors takes place in Spain, at the regional level, and in partner countries.</p> <p>The Law also created Spanish co-operation offices (OCEs), responsible for MAP implementation together with partner country authorities, and co-ordinate the wide range of Spanish actors present in partner countries (replacing Technical Co-operation Offices), including decentralised co-operation and civil society.</p> <p>SECI is also developing frameworks to establish or strengthen partnerships at the political level with main actors of Spanish co-operation and AECID's new Alliances Department will help manage different partnerships. This will be particularly important once FEDES becomes operational to draw systematic links and streamline decision-making between financial and technical co-operation.</p>

<ul style="list-style-type: none"> <li>- and create more systematic links between its financial and technical co-operation.</li> </ul>	
<p><b>3. Future ODA levels:</b> 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.</p>	<p><i>Limited progress.</i> Law 1/2023 establishes Spain's commitment to reach 0.7% of gross national income (GNI) as ODA by 2030. The <a href="#">2024-27 Master Plan</a> puts forward three trajectories to reach 0.7%: by 2030 (gradual, front-loaded, back-loaded). Given the fact that the 2023 budget was extended to 2024 and that a new 2025 budget is looking less likely, there may not yet be an opportunity to test whether ODA will increase. Spanish authorities also point to the positive growth in GNI, which is welcome, but will also make the target more challenging to attain. ODA in 2023 (the last year for which we have data) decreased both in volume and as a % GNI due to lower in-donor costs. Finally, preparation for the FFD4 Conference gives Spain the opportunity to lead the way and put into action international commitments to increase ODA.</p>
<p><b>4. Human resources:</b> Accelerate efforts to update human resources policies across the development co-operation system, in order to:</p> <ul style="list-style-type: none"> <li>- ensure the number and composition of staff at all levels and in all institutions enable each institution to fulfil its mandate</li> <li>- create a development career path that breaks the divide between Madrid and technical co-operation offices</li> <li>- improve terms and conditions to retain talent, including for expatriated staff</li> <li>- create a more important role for locally engaged staff.</li> </ul>	<p><i>Some progress.</i> Spain has taken important initial steps to strengthen human resources in development co-operation. The Royal Decree on the <a href="#">Statute of International Co-operation Workers</a> (July 2024), building on Law 1/2023, improves working conditions and promotes job stability, limiting temporary employment. Allowances are extended to non-Spanish nationals and locally employed staff and families, and include health insurance, travel reimbursement, housing, and caregiver support for single-parent families. At the same time, the limit on temporary employment makes it difficult for Cooperation Offices to meet staffing needs.</p> <p>AECID's new Statute promotes horizontal mobility between Madrid and co-operation offices abroad, as well as career paths and staff development to build special expertise and attract and retain talent. These include training programmes and temporary secondments both to and from international organisations and other Spanish or foreign co-operation agencies. The Management Contract that covers a 4-year workforce planning is currently being negotiated as a matter of priority. Amongst other things, it aims to create project management job pools to help fill staffing gaps in country offices.</p> <p>Challenges remain in recruiting and allocating personnel with the necessary expertise in financial co-operation and ensuring that locally hired staff remain empowered and valued, especially as temporary positions are replaced by job pools of employees hired in Spain. Notwithstanding some staff increases at AECID and FIIAPP in 2022, the transformation of Spanish co-operation requires a corresponding budget and approvals to make Spain's agencies fit-for-purpose.</p>
<p><b>5. Internal systems, PFM and procurement:</b> 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.</p>	<p><i>Good progress.</i> Three different decrees have improved or are expected to enable more flexible support and improve the quality of partnerships. A draft <a href="#">Royal Decree on grants</a> (expected to be adopted in early 2025) and assistance in the sphere of international cooperation is expected to reduce the volume of red tape and enable a more streamlined, transparent and effective management of cooperation.</p> <p>The draft Royal Decree on financial co-operation further expands the use of non-reimbursable instruments with financial co-operation. Combining grants and technical co-operation with financial co-operation, including for pre-feasibility studies will now be possible.</p> <p>In a much-anticipated improvement, Law 1/2023 waives the obligation of NGOs or international organisations to reimburse unused balances, reimbursements or refunds <u>with interest</u>. The Law allows annual budget appropriations in the form of direct awards to Spanish bodies and dependent public agencies. AECID's lump-sum grants to FIIAPP, for example, allow Spanish Cooperation to</p>

	<p>draw on FIIAPP's network for on-demand technical expertise; EU delegated co-operation can now be used to directly reinforce associated human resources in AECID and FIIAPP, while the ability to provide scholarships to human rights defenders via Fundación Carolina, offers more diverse partnerships.</p> <p>The recently approved Royal Decree on AECID also gives the Agency more autonomy and greater flexibility, allowing it to approve budget adjustments so long as these do not affect staff expenditure or the overall budget.</p>
<p><b>6. Risk management:</b> 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.</p>	<p><i>Some progress.</i> AECID has created a Deputy Directorate for Procedure Control and Risk Management and it states that it has strengthened its ethics committee, conducted mandatory trainings and built greater awareness of whistle-blower mechanisms. The next peer review should look at how more contextual risks are considered for a more balanced approach to risk (not only/mainly fiduciary risk). As one example, the <a href="#">El Salvador MAP (2023-26)</a> examines the environmental, economic, and institutional-political risks and includes a risk matrix. Expanding financial co-operation to guarantees and credit lines will require AECID to place a strong emphasis on risk analyses and management. FIIAPP has an internal audit and risk management system in place. In general, Spain works with other partners like international financial institutions to assess, mitigate against, and share contextual risks.</p>
<p><b>7. Learning:</b> 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.</p>	<p><i>Some progress.</i> Through annual publications like <a href="#">Annual Communication 2024</a> and platforms like <a href="#">InfoODS 2030</a>, Spain is working to strengthen transparency and institutional learning. Law 1/2023 and the Master Plan outline an internal and external model for knowledge management.</p> <p>SECI leads knowledge management policy, while AECID and FIIAPP have developed knowledge management tools, guidance, working groups and trainings. Spain is well-reputed for knowledge and innovation exchange, as well as multi-actor collaboration with partner countries in Latin America through AECID's <a href="#">INTERCOONECTA</a> programme, the four Spanish Cooperation Training Centres, FIIAPP's peer-learning approach and Fundación Carolina's research networks and alumni. Regular opportunities for knowledge exchange and learning, including a formal career path between Madrid and country offices abroad should further strengthen knowledge management.</p> <p>Further efforts are required to develop a culture for knowledge management and learning across the Spanish co-operation system. The next peer review offers an opportunity to assess how knowledge management is used internally for learning and programming.</p>
<p><b>8. Results and knowledge building:</b> 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.</p>	<p><i>Some progress.</i> DGPOLDES is working to establish a results-based management system across Spanish Co-operation to improve accountability and promote the use of results to steer decision-making and learning. The decision to create a new Spanish Cooperation Evaluation Office (OECE) with a dedicated budget and triple the existing human resources demonstrates Spain's ongoing efforts. After piloting the use of corporate indicators with diverse actors, the <a href="#">Master Plan</a> introduces 35 corporate and SDG indicators that will be introduced into future management contracts with Spanish co-operation actors and will inform annual reports on results.</p> <p>Regular reviews and evaluations of MAPs and new tools like “Country spaces” can serve to document results in partner countries, and the “Best practices” working group of the Inter-territorial Cooperation Commission (future <i>Conferencia Sectorial</i>) can help instil a results culture in government and autonomous communities. FIIAPP places an emphasis on results and impact with new manuals</p>

	and procedures that look at lessons learned and systematic follow-up actions, while Fundación Carolina's 2025 Action Plan outlines activities following the results and impact of scholarship programmes.
9. <b>Financial co-operation:</b> 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 setup and make operations more efficient, equipped with controls and safeguards, in line with its new policy and plans to expand financial co-operation.	<i>Some/good progress.</i> The regulation establishing FEDES to replace FONPRODE and the corresponding Royal Decree expected in 2025 set out a clear strategy of financial co-operation (fully untied) with sustainable development at its core. FEDES will be housed in AECID, and at least initially require continued support from ICO (as public financial agent, contracts with partners) and COFIDES (to structure operations, monitoring and evaluation). Lending to non-state actors will be possible and non-sovereign loans could be extended without a sovereign guarantee. The new decree also envisages the possibility of direct funding to the public sector including through programmatic aid and results-based aid, which implies multi-year commitments. Administrative procedures will be less onerous: only operations over EUR 12 million will require the approval of the Council of Ministers, in stark contrast to the past when all operations had to be approved at the level of Council of Ministers.
10. <b>Crisis management:</b> 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.	<i>Some progress.</i> Spain adopted its first Humanitarian Diplomacy Strategy in January 2023, which has a scope that extends beyond humanitarian assistance to consider environment/climate change drivers of fragility, for example in the Sahel region. Since 2019, humanitarian assistance has tripled. The 2023 law sets a minimum of 10% ODA for humanitarian purposes. As co-chair ICRC donor group from 2023-24, Spain emphasised building resilience of local communities and strengthening capacity of local actors. The Royal Decree on AECID upgrades AECID's humanitarian action office to a Directorate, with two deputy directorates, one focusing on humanitarian emergencies and another on longer-term humanitarian interventions in priority contexts and other key priorities (including the HDP nexus). The AECID office in Ethiopia is presently organising a HDP Nexus course for staff, including NGO partners, in collaboration with the Nexus Academy.
<p><b>DAC Declaration on Paris Agreement</b></p> <p>The midterm review took place shortly after the Dana ravaged the region of Valencia and southeast Spain. Spanish prime minister Pedro Sánchez addressed the United Nations climate change conference (COP29) in Baku on 12 November 2024, insisting that "<a href="#">climate change kills</a>." In 2021-22, 15% of total bilateral allocable aid (USD 177.3 million) focused on climate change overall, up from 13% in 2019-20 (the DAC average was 30.5%), while 8% of screened bilateral allocable aid (USD 100.1 million) focused on biodiversity overall, slightly above the DAC average of 7.2%.</p> <p>Eight per cent of screened bilateral allocable aid (USD 100.1 million) focused on biodiversity overall, down from 8.5% in 2019-20 (the DAC average was 7.2%).</p> <p>Spain is looking explicitly at using opportunity of FFD4 to lead by example by drawing the connection between climate change, the environment and food security with all actors throughout its programming. To free up resources to vulnerable economies, Spain added debt-pause clauses to its official loans earlier this year. The clauses give countries the option to pause debt service payments in cases of natural disasters, food or health crises. It is one of the key member states pushing for the inclusion of a broader commitment along these lines in the FFD4 Outcome Document.</p>	