

Fourteen dilemmas for Spanish development aid in the new incoming parliament

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Theme

The future of Spanish policy on international development cooperation requires a series of dilemmas to be politically addressed; these concern, for example, the geographical distribution of aid, the connection between development policy and other strands of foreign policy and the appropriate combination of instruments (bilateral, multilateral) and stakeholders (public administrations, NGOs, companies...).

Summary

A significant number of analyses and assessments of Spanish foreign aid policy generally point to similar strengths and weaknesses. Prominent among the latter are the fragmentation of aid, the lack of capabilities and resources for managing a development policy that is rich in knowledge and in a changing environment, the lack of a strategic vision and the delays in obtaining coherence in development policies.

Such a convergence in the diagnosis is all the more surprising given that people have been identifying similar weaknesses for years. This paper is based on the premise that tackling these structural shortcomings in Spanish aid first requires an in-depth debate to be held on the policy dilemmas surrounding development aid insofar as they concern (1) the scope and role of the aid policy itself (the strategic goals of aid, the internal dimension of sustainable development agenda, Spain's profile as a global player, the connection between Spanish development aid and other policies, such as security, and other political goals, such as democracy); (2) its geographical and sectoral concentration (more or less concentrated, with a presence in Latin America and the Caribbean, North Africa and the Middle East, and West Africa); and (3) the means of implementation, including the possible combinations of instruments (multilateral, bilateral, reimbursable or otherwise), actors (public or private, including development NGOs and companies) and the institutional architecture.

Analysis

This text falls within the framework of a joint debate carried out by a working group (made up of representatives of political parties, including members of parliament, as well as other experts in the field of development) regarding the launch of the Sustainable

Development Agenda for the period 2016-30.¹ The purpose of this discussion is to address the main challenges and dilemmas that Spanish development aid will need to face in the near future.²

The first section of the text gives a broad survey of the question and identifies the main points of the domestic debate on international aid development policy. In this regard the authors believe that there is significant convergence in the diagnosis of the state of Spanish aid and even the route map towards a solution. This applies, however, to the purely technical level where the policy debate about the more strategic aspects of development and aid does not enter. Thus in the second section, on the basis of the debates that have been held within the framework of this initiative, the authors provide a tentative list of policy debates that will have to be addressed in the next parliament and, in any event, in the wake of the Sustainable Development Goals (SDG) agenda being approved,³ by the Spanish cooperation programme.

Technical consensus without political debate

Many analyses have already addressed the strengths and weaknesses of public policy on international development cooperation. In a recent self-assessment of Spanish aid,⁴ the Secretary-General for International Development Cooperation (SGCID) identifies such weaknesses as the volatility of the cooperation budget, the persistent fragmentation of aid, the difficulty of adopting a more knowledge-based management approach, the restrictions of the current institutional design of the aid system (which hinders coordination between agents, the adoption of a common strategic vision and, in consequence, the coherence of development policies) and the lack of a sense of ownership of this policy on the part of the public at large.

These challenges are to a large extent also emphasised in the latest peer review issued by the OECD's Development Assistance Committee (DAC),⁵ as well as being identified in various studies of Spanish aid drawn up by development NGOs, think-tanks and other

¹ Details of the 17 Sustainable Development Goals (SDGs), approved by the United Nations General Assembly in September 2015, are at <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

² This initiative on the future of Spanish cooperation was coordinated by the Elcano Royal Institute with the support of the Bill and Melinda Gates Foundation. It consisted of a series of five debates between politicians and policy analysts addressing development issues from a political perspective. The debates focused on several analyses produced in the framework of this same initiative which are available in Spanish at the Elcano Institute webpage. The analyses covered the following topics: [the role of national parliaments in international development](#); [development challenges in Latin America and the Mediterranean region](#) with a focus on potential Spanish cooperation in the regions; and [the contribution of Spain to the means of implementation of the development Agenda](#), both bilaterally and as a member State of the EU.

³ See the website on [Sustainable Development Goals](#).

⁴ SGCID (2015), 'Reflexiones sobre la política española de cooperación internacional para el desarrollo ante los retos del nuevo escenario global. Un compromiso renovado para una agenda transformadora de desarrollo humano sostenible', Estudios 3, Secretary-General for International Development Cooperation, Ministry of Foreign Affairs and Cooperation.

⁵ OECD (2016), 'OECD Development Cooperation Peer Reviews. Spain 2016', Organisation for Economic Co-operation and Development.

experts on the domestic stage,⁶ some of which are not exactly recent. Indeed certain weaknesses –such as the problem of the institutional architecture and the shortage of knowledge-based management (mentioned by the assessments)– had already been identified in the International Cooperation for Development Act, passed almost 20 years ago.⁷

In addition to these more qualitative studies, there have also been various attempts to quantify the quality the development aid that is donated, which in broad terms reveal similar results. The latest edition of the QuODA index⁸ ranks Spain between 17th and 21st (of 22 bilateral donors and nine multilateral organisations) in aspects such as efforts to maximise the efficiency of aid (21st place), fostering local institutions and reducing the administrative and bureaucratic burden of aid for partner countries (18th place in both cases), and transparency and scope for learning (17th place). Falling outside the strict confines of the cooperation field, the *Commitment to Development Index* (CDI),⁹ an integrated assessment of the development focus in policies of aid, finance, technology, the environment, trade, security and migration, places Spain in 13th position in a ranking of 27 donors (with poorer performance in aid and security policies). Spain also occupies 13th place in the Policy Coherence for Development Index (PCDI).¹⁰

If there is general agreement on the nature of the challenges, there is also to a large extent consensus on the proposed solutions (taking a more strategic view, reforming the system institutionally, stabilising the flows of aid and improving the potential for the proper management of this policy), which, in this case too, are repeated in more or less recent analyses.

This situation is now joined by the adoption of the SDG agenda, as it will require greater efforts precisely in areas such as policy coherence and knowledge-intense cooperation, which stand out as weaknesses in Spanish development aid (budgetary stability and commitment, a strategic and cross-cutting vision of development, knowledge-rich cooperation...). In more everyday terms, the SDGs have effectively 'upped the ante' for cooperation in the framework of the foreign policy of the States that participate in the international community.

⁶ See, for example, Oxfam Intermón (2016), '2016-2020: El regreso de España a la comunidad de donantes', *La Realidad de la Ayuda*, Oxfam Intermón; ISGlobal (2015), 'La cooperación española más allá de 2015: razones éticas y prácticas para el cambio. Una contribución de ISGlobal a la elaboración de los programas electorales', Institute for Global Health Barcelona, September; J. Pérez & G. Fanjul (Coord.) (2012), 'Hacia un Libro Blanco de la política española de desarrollo', Centre for Research and Studies into Trade and Development, January; and Iliana Olivié (coord.) (2011), 'Nunca desaproveches una buena crisis: hacia una política pública española de cooperación internacional', *Elcano Reports*, nr 13, Elcano Royal Institute, December.

⁷ Law 23/1998, dated 7 July, regarding International Development Cooperation, BOE-A-1998-16303, BOE nr 162, *El Estado actual de la cooperación*.

⁸ N. Birdsall & H. Kharas (2014), *The Quality of Official Development Assistance (QuODA). Third Edition*, Center for Global Development, Global Economy and Development at Brookings.

⁹ *Commitment to Development Index 2015*, Center for Global Development, <http://www.cgdev.org/cdi-2015>.

¹⁰ 'Policy Coherence for Development Index (PCDI)', *Plataforma 2015 y más*, <http://www.icpd.info/en/>.

It would seem that this ease in reaching a consensus on the shortcomings of Spanish cooperation also applies traditionally to the Cooperation Commission of the Congress of Deputies,¹¹ where the divisions between the policy proposals of this Commission and other parliamentary commissions are greater than between the political parties represented on the Commission. As two participants in this working group on the 2030 Agenda have said (both representatives of political parties), this ready consensus may be explained by both the superficiality and the vagueness of the proposals that have been agreed.

As far as the former is concerned, most of the proposals debated (and accordingly the proposals agreed) come within the framework of what one member of parliament described as ‘non-debate’; in other words, those political areas where disagreement is practically impossible, such as the need to devise a solid development policy or to increase, as far as fiscal constraints allow, the development aid budget.

So, the consensus is facilitated by the vagueness of the language, which helps the Commission reach agreements on texts approved by all the political groups where the text is amenable to multiple political interpretations. Thus, for example, all the political groups can agree on improving the efficiency and quality of Spanish aid, particularly if there is no in-depth debate about what is understood by the efficiency and quality of this public policy.

Perhaps it is this ‘superficial and vague consensus’ that, at least in part, accounts for the fact that although there is a widely-agreed diagnosis and proposed treatment for solving the ills of Spanish cooperation, the necessary measures have not yet been applied.

Towards a policy debate on Spanish cooperation

It is therefore worth crossing these two barriers of superficiality and vagueness in distinct directions. One of these would involve pinning down the debate on Spanish cooperation in its role in the ensemble of the State’s initiatives and Spain’s definition as a global actor.

This exercise sets out to focus on three aspects. First, this process of debate and reflection seeks to avoid the clearly technical emphasis that usually predominates in debates on development aid (such as the extent to which cooperation measures up to the yardstick of aid efficiency). Such technical aspects have had the virtue of nurturing consensus among various actors and political forces and of improving Spanish cooperation in areas like its transparency.¹² Focusing the debate on technical aspects, however, would create another reason, in addition to the ones outlined above, for steering the debate away from more political and strategic questions where there is less scope for automatic consensus. This reflection thus takes a political approach, meaning

¹¹ The Cooperation Commission of the Congress of Deputies is the parliamentary body in charge of the preparation of legislation on development policy and international cooperation.

¹² In this context it is worth noting the launch of the [Cooperación Española](#) website and the [info@od](#) statistical tool. These and other initiatives explain the improvement in Spanish cooperation’s ranking from a ‘very poor’ position in 2013 to ‘intermediate’ in 2016 in the [Aid Transparency Index](#).

that it identifies areas where political leaders will need to make decisions to shape the future of Spanish development policy.

Secondly, and related to the above, the aim is to locate the debate on Spanish cooperation within the framework of Spain's foreign policy and the country's role in the international community.

Thirdly, this is the reason for the present text being unable to offer a list of recommendations for the improvement of aid policy. The authors set out from the premise that, from a policy perspective, the direction taken by Spanish cooperation in this new political cycle will be the outcome of a range of decisions taken in response to a series of dilemmas where it is by no means easy to identify a 'first-best' solution. The decisions that are taken will necessarily stem from the political view (or the assembly of views) of the institutions and people with responsibilities in this field.

It is, however, the aim of this document to present some of the dilemmas, which do not in any event exhaust the list of hard choices and decisions that will have to be addressed by policy-makers in this new political phase. This map of dilemmas is the outcome of the proposals and debates held within the series of four sessions of the aforementioned working group, which covered the general proposals of the 2030 Agenda, its implications in Latin America and the Mediterranean and the means of implementation (see Figure 1).¹³

¹³ The emphasis on geographical questions (with less attention paid to debates on the sectorial orientation) is the outcome of the initial proposal for this initiative, which focuses on Spain's participation in distinct regions.

Figure 1. The 14 dilemmas of Spanish cooperation

Dilemma	The political space of cooperation and development
1	Which world? What development?
2	Concentrating on domestic problems or going beyond?
3	Spain: policy taker or policy maker?
4	Integrate or separate security and development?
5	Integrate or separate democracy and development?
The geographical and sectorial orientation of Spanish cooperation	
6	Spanish aid in Latin America, yes or no?
7	North Africa and the Middle East, yes or no?
8	West Africa, yes or no?
9	Concentration or fragmentation?
The means of implementation	
10	Multilateral or bilateral?
11	More Europe?
12	Reimbursable cooperation, yes or no?
13	Which actors of cooperation?
14	Which institutional model?

Source: the authors

1st dilemma: which world? what development?

As pointed out above, within the framework of this working group's meetings a representative of a political party raised the possibility that the ease with which consensus is reached by various political groups in the field of cooperation may be due in part to the vagueness of the language (eg, private sector involvement in development), enabling different (and sometimes opposing) world views to be entertained using identical labels.

In this respect, an in-depth debate regarding international development cooperation first requires a debate of similar depth regarding world views, global challenges and possibilities (what are the problems facing the global community?, what world do we want to build?), as well as regarding the various implications for Spain of the distinct views.

It hardly needs saying that this rather fundamental question goes well beyond the strict limits of aid policy and gets tangled up with Spain's role in the world and even the debate on identity.

2nd dilemma: concentrating on domestic problems or going beyond?

The first aspect of this dilemma, which also determines the relevance of all the other dilemmas set out below, has to do with Spain's contribution to international development in its current political and economic context. Should Spain continue focusing on its internal problems or, on the contrary, should it start to pay more attention to neighbouring countries' problems and those that it shares with the international community?¹⁴

It is worth pointing out that more than four decades of economic, political, social and institutional globalisation have steadily blurred, for all the countries affected by the globalisation process, the dividing line between internal and external. This global trend tends to force, to a certain extent, a move towards a more integrated approach to managing political, social and economic challenges (something that is also reflected in the spirit of the SDGs). To date, however, equally significant has been the conceptual and administrative division between internal and foreign policies and the concentration of political efforts on the domestic sphere.

3rd dilemma: policy taker or policy maker?

As far as the management of the international dimension is concerned, it is worth debating the question of what profile is being sought, as a member of the international community, in the search of solutions to global problems and also within the specific field of international development aid.

Spanish cooperation has atypical features such as its geographical distribution, which also determines its sectorial distribution, the nature of its instruments and the size of its projects (see also dilemmas 6-9). These characteristics have traditionally earned Spain the reputation of an anomalous donor in the international community, an unorthodox country in the context of the doctrine stemming from the Millennium Development Goals (MDGs),¹⁵ which stress the need to focus aid on low-income countries and high levels of poverty (least developed countries or LDCs,¹⁶ located mainly in sub-Saharan Africa). Such aid would be channelled through the wholesale transfer of resources in large-scale social infrastructure projects (such as transport, health and education infrastructure).

To some extent, however, the advent of the SDGs destabilises this orthodoxy of development. The SDGs take into account the emergence of the global South, the blurring of the North-South divide, the aspects of aid that are not strictly social (such as environmental, technological, institutional and economic aspects) and the new challenges of development (such as internal inequalities, for instance). In this new scenario, the characteristics of an aid policy such as Spain's have the potential to turn into strengths for a global aid programme that will moreover unfold in the context of greater GDP per capita (in middle-income countries in Latin America, Africa and Asia),

¹⁴ Spain's official development assistance (ODA) dropped by 68% between 2010 and 2014, as the government's priority during these years was to keep national accounts under control.

¹⁵ See <http://www.un.org/millenniumgoals/>.

¹⁶ The list of countries receiving aid, classified by income category, is available at <http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>.

needing interventions that are highly knowledge-intensive and possibly, depending on the context, less intensive in financial resources (through aid that is fragmented into more sectors, with highly diverse instruments employed in small projects).

If Spain decides to raise its profile as a donor in the international community, and aspires to shape the agenda, its contribution could consist, for example, in capitalising upon its experience in supplying international aid to middle-income countries as an input for the attainment of the SDGs and the necessary adaptation of aid in these contexts.

4th dilemma: integrate or separate security and development?

The multifaceted nature of development is better reflected by the SDG agenda than by the MDG agenda. Development thus entails the reduction of poverty and hunger, the improvement of educational and sanitary conditions, the reduction of income and gender inequalities, access to justice and participation in institutions and the ability to live in a secure environment. This multi-dimensional nature has tended to be managed in a fragmented manner from the international relations perspective. Thus, for example, international aid policy has unfolded in a box that is hermetically sealed from that of security, whether in its military aspects or insofar as it relates to, for example, asylum, refugee or migration policies (in the same way that occurs with other aspects of foreign policy, such as trade and investment).

The importance of security to development, and vice versa, is clear in one of the regions on Spain's doorstep, the Mediterranean. The close link between both goals has prompted some donors to suggest a close link too between the interventions of their aid agencies and their militaries, provoking criticism on the part of traditional aid actors about the militarisation of aid. This is deemed to have been a growing trend since 2001¹⁷ and is likely to remain so as long as international terrorism continues to spread. Meanwhile the current refugee crisis is also revealing the close ties between security and development.

Resolving the debate between the departmentalisation or integration of security and development policies is thus essential in order to plan cooperation with certain regions such as North Africa, the Middle East and West Africa¹⁸.

5th dilemma: integrate or separate the promotion of democracy and human rights and development?

Just as it is worth raising the dilemma of the coexistence of international aid policy with other strands of foreign policy (security, defence, the fight against terrorism, trade and investment promotion, etc.) and domestic policy (gender equality and inequality), there is also a parallel debate about the coexistence of distinct goals of the policy (development, promotion of democracy and human rights, and economic growth).

¹⁷ J.A. Sanahuja (2005), 'La securitización de la ayuda tras el 11-S: ni seguridad ni desarrollo', in Intermon-Oxfam, *La Realidad de la ayuda 2004-2005*, Intermon-Oxfam.

¹⁸ J.A. Núñez Villaverde (2016), 'La Agenda 2030 en el Mediterráneo: un reto para España', *ARI*, nr 34, Elcano Royal Institute, April.

Although the 2030 Agenda does not clearly address the issue of democracy as a goal, European countries are unable to avoid this dilemma when designing their cooperation programmes with a large number of their partner nations, such as the Mediterranean countries, most of which have gone through social upheavals demanding greater democratic participation and social justice; although the number of cases in which they have really transitioned towards democracy is limited (in fact only one).

The transition towards or deepening of democracy may be seen as a legitimate goal of international cooperation and also as a means of effectively achieving other goals such as equality and security.

It might also be argued, however, that the democratic pathway cannot be imposed on a country from the outside and that therefore its being linked to international aid will prove ineffective and even seen as meddling in the domestic affairs of a partner country.

6th dilemma: Spanish aid in Latin American, yes or no?

Spanish political leaders need to determine where the geographical focus of cooperation investments should be and how cooperation with Latin America should be prioritised. There are various arguments for withdrawing aid from Latin America, a region made up almost exclusively of middle-income countries (MICs) with the single exception of Haiti. These reasons, put forward by donors that have been withdrawing their development aid from the region, include the fact that poverty levels account for notably lower percentages of the population than those recorded in the least developed countries (LDCs), while involving economies with a significantly higher per capita income, something that gives the local administrations considerable room for manoeuvre to fight against such poverty, without needing recourse to international aid.

So the arguments for maintaining Latin America as the main recipient of aid do not include those of extreme poverty, or not exclusively. In addition to the significant level of poverty there are profound inequalities (an issue that has at last made an appearance in the SDG agenda), the risk of falling into the 'middle-income trap' without the necessary external support, and the fact that the region holds the key to the environmental challenges that are being posed globally (not only in the SDG agenda, but also in the climate-change agenda).¹⁹

Seen from the foreign policy perspective, Spain has accumulated an institutional presence in which aid policy coexists (and even intermingles) with other policies such as investments, trade, scientific and academic and cultural policy. Thus to the arguments about the enduring challenges of development in the region it is necessary to add those concerning the definition of Spain's role as a global player (see dilemmas 2 and 3), which includes the regions and countries with which it has relations but also the terms of these relations, which will determine the place that development and cooperation occupy.

¹⁹ For the development challenges facing Latin America, see, within the framework of this project, D. Sánchez-Ancochea (2016), 'Los desafíos del desarrollo sostenible en América Latina: estableciendo prioridades y definiendo la contribución española', *ARI*, nr 30/2016, Elcano Royal Institute, April.

In short, Spanish aid can either remain in Latin America or be withdrawn. Both decisions would be founded on a series of rational criteria. If the decision is taken to maintain aid, however, in order to comply with the SDG agenda, this would require the devising of a strategy that would go beyond aid policy and would suitably express the SDGs in terms of the various objectives of foreign policy via each of its various policy instruments.

7th dilemma: North Africa and the Middle East, yes or no?

The situation regarding development aid for North Africa and the Middle East is similar to that of Spanish cooperation in Latin America. Here too most recipients are middle-income countries and the development challenges are akin to those existing in places not facing extreme poverty (inequality, unemployment, the challenges of climate change and security).

These complex development challenges link, in this case as in the former, to foreign policy strands other than cooperation (such as migration, asylum and security, including the fight against terrorism), using an integrated approach, requiring even more delicate handling than in the case of Latin America.²⁰ Moreover, it so happens that North Africa and the Middle East form a geographically neighbouring region for Spain and the EU as a whole, something that to a large extent would facilitate European cooperation in relations with the region.

8th dilemma: West Africa, yes or no?

In a sense, West Africa is the region in which Spanish aid activities can be carried out in the most 'orthodox' and traditional ways. Among the countries that make up the region there are various LDCs with problems of extreme poverty and clear and widespread shortages in the health and education areas. The arguments in favour of giving aid to the region therefore seem obvious in terms of development. From the perspective of specifically Spanish development aid it is also necessary to bear in mind that this is a sort of 'second southern border'.

Spain has not accumulated the institutional presence, experience and track record as a donor in West Africa that it boasts in various Latin American countries and certain countries in North Africa (such as Morocco). There is already a large group of existing donors operating in this region, in which the main challenge in order to comply with the SDGs consists of identifying the specific added value of Spanish aid in the context and also of taking advantage of the region as a place for exchanging knowledge and experiences with an ample donor community.

The questions of geographical allocation are ultimately related to the selection of overall priorities (priorities should shape where funds are invested) and the appropriate ways of delivering aid can vary from country to country, according to the contexts. This would be

²⁰ J. Núñez (2016), 'La Agenda 2030 en el Mediterráneo: un reto para España', *ARI*, nr 34/201, Elcano Royal Institute, April, offers a broader analysis of the combination of policies needed to address the region's development challenges.

a way of emphasising the interrelated character of the broad political choices that you outline in this paper.

9th dilemma: concentration or fragmentation?

The concentration of aid has become one of the mantras of the agenda on aid effectiveness. The so-called Paris Principles (later underpinned in Accra)²¹ stress the need for aid donors to concentrate their efforts on a limited number of countries, sectors, instruments and projects with a view to improving aid effectiveness and impact, on the basis that disperse and fragmented aid leads to inefficiency as well as resulting in greater administrative and bureaucratic burdens for partner countries.

As pointed out above, however (dilemma 3), this conception of aid quality is closely linked to the MDG agenda focused on certain developmental deficiencies typical of LDCs, which generally require massive investments in educational or social macro-projects. With the SDGs, this view of aid effectiveness would necessarily be nuanced or extended to other forms of carrying out aid activities in different contexts.

As mentioned above, the SDGs promote institutional, social, environmental, technological, political and economic goals for global development; this leads to development aid in Latin American, or North African (or even, for that matter, sub-Saharan) contexts that may require small-scale projects (ignoring the macro-project premise), in diverse fields (therefore not focusing on particular sectors) and more and more (not fewer) aid instruments.

In this respect, if Spanish aid policy opts to align itself with the SDG agenda, adopting a higher international profile (dilemmas 2 and 3), in areas of global governance that transcend that of international cooperation (dilemmas 4 and 5), simultaneously underpinning its presence in Latin America, North African and the Middle East and West Africa (dilemmas 6 and 8), the forms of cooperation employed are unlikely to lead to high levels of sector and/or instruments concentration; and they would quite likely give rise to small projects in financial terms (think, for example, of institutional reinforcement projects). In short, such a combination of choices would inevitably lead to levels of aid dispersion greater than those prescribed by the international agenda. It would also require a significant effort of communication directed towards the combined international community (which takes us back to the third dilemma) and above all an effort to consolidate a strategic vision, which would guide this more or less fragmented aid (and not the other way round).

On the other hand, it is also possible to take a strategic view of Spain's role in the world and Spanish cooperation with a less ambitious approach (dilemmas 2 and 3) and greater selectiveness whether in terms of geographical areas, sectors or instruments (dilemmas 4-8). In this respect it is worth pointing out that there is a series of sectors and programmes where Spanish aid tends to exhibit a certain degree of added value, track

²¹ See OECD (2008), 'The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action', Organisation for Economic Cooperation and Development.

record or accumulated experience such as those involving gender, global health, renewable energies and food security.

10th dilemma: multilateral or bilateral?

International development aid channelled via multilateral organisations tends to have, in principle and from the perspective of its development impact, a series of advantages over bilateral aid. In theory it is more difficult for a particular donor to 'contaminate' its aid with national interests if it goes via the multilateral route. Furthermore, multilateral instruments reduce the transaction costs for the recipient to the extent that the participants (and therefore its procedures and administrative burden) are reduced to only one, thereby maximising the impact of the aid.

There are, however, cases (such as the World Bank programmes devised in the wake of the September 11 attacks in 2001) that rather undermine the argument regarding the independence of multilateral programmes vis-à-vis the interests of a specific donor. In terms of the administrative burden, the great proliferation of multilateral organisations and global funds in the last two decades also tends to cast doubt on the idea that the multilateral route necessarily reduces, in all sectors and contexts, the transaction costs for the partner country.

From the perspective of the donors' foreign policy, the argument is frequently made that the bilateral route, unlike multilateral channels, facilitates the donor's influence through international development aid (effectively the same line of reasoning that considers that multilateral institutions are more independent). This is questionable, as multilateral channels are platforms for dialogue with the entire aid community. Such platforms would seem to be indispensable for participants that aspire to policy making in the setting of the development and global governance agenda (dilemmas 2 and 3).

As far as the combination of multilateral and bilateral tools is concerned, it is also difficult to identify a technical 'first-best'. To the extent that both multilateral and bilateral channels form part of the international development aid toolkit, the appropriate formula for multilateral and bilateral instruments will depend, on the one hand, on the goals that are established for this public policy (dilemmas 1-9) and on the other hand on the policy objectives being sought by the use of such tools.

11th dilemma: more Europe?

In the same vein as the above, it is also possible for aid policy to place its emphasis on more Europe and indeed there is already a consensus to improve the coordination of all European aid (both of the Union and its Member States) on the part of Europe's institutions.

In reality this dilemma is present in almost all aspects of foreign policy (including international development) and the arguments in one direction or the other are therefore similar.

On the one hand, joint action gives rise to added value. In the aid arena, for instance, according to the consensus in the field, concentration reduces management costs and

increases efficacy in terms of development (in a way that is similar to the effect produced by multilateral route). Moreover, in the context of aid fragmentation, the political influence of each donor may be minimal, whereas jointly it could be highly significant.

On the other hand, greater integration may entail that it is European institutions, not Spanish ones, that make direct use of this influence²² and it may also be that the development goals they achieve, while being more effective, are not the most important for Spain.

12th dilemma: reimbursable cooperation, yes or no?

One of the adaptations suggested by the 2030 Agenda²³ for international aid in middle-income contexts (such as Latin America and North Africa) is the greater use of reimbursable aid instruments (loans, guarantees, capital investments and equity funds), rather than non-reimbursable aid (grants).

Once again, to the extent that this dilemma refers to the instruments of cooperation, it will be resolved in one direction or another depending on how the dilemmas regarding the goals of international cooperation are resolved. For example, the geographical and sectorial stance (dilemmas 6-9) will in large measure determine which instruments are preferred.

Nevertheless, if it is decided to go down the road of innovative reimbursable cooperation (where Spanish aid, in contrast to other donors, lacks extensive experience), it will also be imperative to address its institutionalisation, in light of the clear limitations of the current model (which does not allow minimum annual levels of expenditure ratios to be reached). It would require, for example, fostering the expansion of multilateral development banking or even contemplating the setting up of a national development bank (similar to the French Development Agency or the German KfW).

13th dilemma: which actors of cooperation?

In addition to the lead agency in development policy, the Spanish Agency for International Development Cooperation (AECID), which manages 28% of net bilateral aid,²⁴ various ministries (48%) and regional governments, local authorities and universities (24%) participate. Development NGOs are traditionally important actors in this system (channelling 24% of the aforementioned public bodies' funds) and in recent years companies have increased and diversified their participation. By any reckoning it is a diverse and indeed complex policy in terms of the participating actors.

²² For a deeper analysis of the role of Europe within the framework of this debate about the 2030 agenda, see A. Pérez (2016), 'España y la UE ante la Agenda 2030: ¿quién hace qué?', *ARI*, nr 36/2016, Elcano Royal Institute, May.

²³ To be more precise, this idea formed part of the Addis Ababa Action Agenda which addresses the financial aspects of the SDGs with a view to 2030.

²⁴ See SGCID (2015), *Comunicación 2014 al Parlamento y al Consejo de Cooperación. Plan Director de la Cooperación Española 2013-2016*, Secretary-General for International Development Cooperation, Ministry of Foreign Affairs and Cooperation.

It is in this context that the dilemma arises of what is the appropriate combination of actors in order to fulfil the mission (whatever it is) of international cooperation policy. It is difficult, however, to pose this dilemma in instrumental terms. While all of them are instruments of international development cooperation, they are also subjects of the aid, configuring the map of actors who will finally mould this set of strategic goals.

Indeed, this apparently instrumental debate is connected with the first dilemma regarding views of development. A more positive assessment of the role of private initiative in development will result in greater progress being made in instruments designed for companies (venture capital funds, for example), while development efforts centred around public institutions or around organised civil society will logically tend to be served more by State-to-State donations or NGOs applying for funding.

14th dilemma: what institutional model?

Alongside the debate on the ideal volume of ODA, the institutional design of Spanish cooperation takes up a large part of the analysis of Spanish aid policy. Almost invariably taking the much-admired British system as a model –in 1997 its own ministry, the Department for International Development (DfID), was established– the proposals for the institutional reform of Spanish cooperation range from the reform and strengthening of the Spanish Agency for International Development Cooperation (AECID)²⁵ to the creation of a Sustainability and Equity Office that would answer directly to the president's office.²⁶

Virtually all the institutional options that are currently on the table would provide development cooperation with more weight and influence in the structural framework of the Spanish administration, which would tend to solve one of its main problems (identified in previous studies and in the first section of this document). Furthermore, all these options bring their own risks, limitations, advantages and possibilities –it remains to be seen for example whether development aid fostered by DfID helps or hinders the UK's fulfilment of the SDGs–.

Once again it will be the decisions taken with regard to the political goals and missions of cooperation that will determine the best institutional solution from all the possibilities: the institutional design, which takes up so much of the debate about cooperation, should be the natural outcome of the more strategic decisions and choices taken at the highest political level.

The institutional dilemma is not limited to the executive branch. The Congress of Deputies could be called upon to act as the body responsible for ensuring accountability when it comes to fulfilling the SDG agenda. The question would then arise of what would

²⁵ B. Novales & J. López-Dóriga (2015), 'Los ODS, una oportunidad de cambio para la cooperación española', *Planeta Futuro, El País*, 17/VII/2015.

²⁶ G. Fanjul (2016), 'Objetivos de Desarrollo Sostenible: manos a la obra', *Blog 3.500 millones, El País*, 1/IV/2016; and G. Fanjul (2016), 'Los medios de ejecución de la Agenda 2030: la contribución de España', *ARI*, nr 37/2016, Elcano Royal Institute, May.

be the best institutional format (a sub-commission, answering to the Cooperation Commission, or a more cross-cutting body?), especially bearing in mind the structural and operational problems of the Congress as well as the lack of connection between the commissions and the lack of accountability regarding the agreements that are reached.²⁷

Conclusions

Spanish development policy is not only the outcome of technical decisions but also political choices. Dilemmas such as the ones set out above cannot be resolved at the technical level and make it more difficult to overcome the weaknesses attributed to this policy in various analyses with their recurring conclusions and recommendations. Parliament could take advantage of the international stimulus of the 2030 Agenda and, in the domestic context, the drawing up of the next Master Plan for Spanish Cooperation to give a policy steer to the executive in the development arena. To this end these 14 policy dilemmas, among others, will need to be tackled in a process of dialogue.

²⁷ A detailed analysis can be found in J. Pérez & M. Segovia (2016), 'El papel de un parlamento nacional en el desarrollo internacional: análisis de la X legislatura en España', *ARI*, nr 26/2016, Elcano Royal Institute, March.