

# Netherlands ODA Budget Profile

Budget4Change

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## 1. Budget Process

The fiscal year begins on 1<sup>st</sup> January and runs concurrent to the calendar year. Departmental budgets are published in the September of each year and are voted on by Parliament and passed into law in October or November. The budget documents contain the budget for the following year and, additionally, budget estimates for the four years following the budget year in question. Thus the budget documents contain a rolling five-year projection of future government spending.

The budget for the current year may be varied by supplementary budgets that are typically published in the spring and in November of each year.

Departments also publish annual reports on the previous financial year, typically in the May following the end of the year in question.

In addition to the standard departmental budget documentation, The Netherlands Foreign Ministry produces a separate document called the *Homogene Groep Internationale Samenwerking* (HGIS). This document shows all the overseas assistance provided by the government of the Netherlands and how much of that overseas assistance is expected to be counted as ODA. The data in this document are broken down by government department, thematic area and budget line.

## 2. Key documents and links

Each year the Netherlands' Government produces a document known as the Homogeneous Budget for international Development (Homogene Groep Internationale Samenwerking, or HGIS in Dutch). The HGIS contains information on the Netherlands' international development budget broken down by thematic area and by government department. ODA and non-ODA flows are shown separately and the document provides a rolling three-year forecast of future development spending.

Information on the overall budget for international development is also given in the coalition agreement produced by the government formed in October 2010.

Coalition agreement:

<http://www.rijksoverheid.nl/documenten-en-publicaties/rapporten/2010/09/30/regeerakkoord-vvd-cda.html>

Financial supplement:

<http://www.rijksoverheid.nl/documenten-en-publicaties/rapporten/2010/09/30/bijlage-bij-regeerakkoord-vvd-cda.html>

HGIS factsheet:

[http://www.minbuza.nl/en/The\\_Ministry/Policy\\_and\\_Budget/Homogeneous\\_Budget\\_for\\_International\\_Cooperation](http://www.minbuza.nl/en/The_Ministry/Policy_and_Budget/Homogeneous_Budget_for_International_Cooperation)

HGIS annual report:

[http://www.minbuza.nl/nl/Organisatie/Jaarverslag\\_en\\_begroting/Homogene\\_Groep\\_Internationale\\_Samenwerking](http://www.minbuza.nl/nl/Organisatie/Jaarverslag_en_begroting/Homogene_Groep_Internationale_Samenwerking)

### **Development Aid in the budget**

Situated within the Ministry of Foreign Affairs, the Directorate-General for International Cooperation (DGIS) is responsible for development cooperation policy, its coordination, implementation, and funding. An important DGIS focus is the coherence between Dutch and EU policy on developing countries. As such, a large majority of The Netherlands' ODA comes from the budget of the Ministry of Foreign Affairs.

Other government departments who contribute to The Netherlands' ODA spending are:

- Defence Ministry
- Finance Ministry
- Justice Ministry
- Office of the Auditor General
- Transport Ministry
- Economics Ministry
- Agriculture Ministry
- Education ministry
- Health Ministry

Also there are some categories of expenditure, such as ODA-eligible EU budget contributions and spending on asylum seekers that are shown separately in the HGIS and not allocated to a specific ministry's budget.

In the HGIS, the international development budget is divided into a number of policy themes. These are as follows:

*Policy theme 1: Strengthening the international legal order and respect for human rights*

*Policy theme 2: Promoting security and stability, effective humanitarian assistance and good governance*

*Policy theme 3: Strengthening European cooperation*

*Policy theme 4: Increasing wealth and reducing poverty*

*Policy theme 5: Promoting human and social development*

*Policy theme 6: Protecting and improving the environment*

*Policy theme 7: Promoting the welfare and safety of Dutch nationals abroad and regulating the movement of persons*

*Policy theme 8: Raising the Netherlands' cultural profile and creating a positive image in the Netherlands and abroad*

*Policy theme 9: Other spending (mainly administrative costs)*

### 3. Availability of forward ODA budgeting

As noted above, the HGIS includes a rolling three-year forecast of future spending on international development. However the HGIS document published in September 2010 assumes that The Netherlands' ODA spending will be 0.8% of national GDP. The recently-formed coalition government has stated that ODA will be capped at 0.7% of GDP. This means that the projections in this version of the HGIS are almost certainly an overstatement and actual budgeted spending will be lower than indicated in the coming years.

### 4. Departmental budgets

#### 4.1 Principal development agency

The Netherlands Foreign Ministry (Ministerie van Buitenlandse Zaken) plays a central role for all Dutch development co-operation and is responsible for both development policy and delivery. Within the ministry, the Directorate General for International Cooperation (DGIS) is the main organisational unit for The Netherlands' development co-operation programme. Although the Netherlands Foreign Ministry is responsible for most of The Netherlands' ODA, it relies on several aid delivery channels. Embassies in partner countries are responsible for implementation of less than a fifth of total ODA. The Netherlands' development co-operation has a long tradition of strong civil society involvement and non-governmental organisations (NGOs) receive almost a fifth of the development co-operation budget and private companies receive a further 5%.

For a breakdown of the most recent budget of the development cooperation programme of The Netherlands Foreign Ministry, see appendix A.

## 4.2 Other departments / ministries

The breakdown of The Netherlands' ODA across the various agencies / ministries is given below:

**Netherlands - sources of ODA 2009-2011**

Ministry / agency	2009		2010		2011	
	EUR 000's	% of total	EUR 000's	% of total	EUR 000's	% of total
Foreign Ministry	4,286,401	91%	3,817,763	81%	3,971,749	84%
Justice Ministry	202	0%	200	0%	200	0%
Auditor General	280	0%	140	0%	0	0%
Defence Ministry	10,500	0%	13,000	0%	13,000	0%
Finance Ministry	94,040	2%	55,785	1%	342,205	7%
Transport Ministry	27	0%	27	0%	27	0%
Economics Ministry	363	0%	5,000	0%	7,400	0%
Agriculture Ministry	5,713	0%	5,919	0%	5,932	0%
Education Ministry	62,465	1%	62,453	1%	62,453	1%
Health Ministry	1,466	0%	1,500	0%	1,500	0%
Accounting items not included in ministry budgets:						
EU budget	234,400	5%	265,367	6%	269,867	6%
Export credit guarantees	27,864	1%	347,000	7%	95,000	2%
Asylum seekers	0	0%	268,475	6%	272,998	6%
	4,723,721		4,842,629		5,042,331	

**Finance Ministry**

After the Foreign Ministry the Netherlands' Finance Ministry provides the next largest contribution to ODA (in most years). This is almost entirely comprises The Netherlands' contributions to multilateral development banks.

**Education Ministry**

The Education Ministry provides over 60million Euros of ODA each year under the budget line 'support to university education'.

**Defence Ministry**

The Defence Ministry provides over 10million Euros of ODA each year under. This comprises ODA-eligible contributions to UN peacekeeping efforts.

### Other ministries

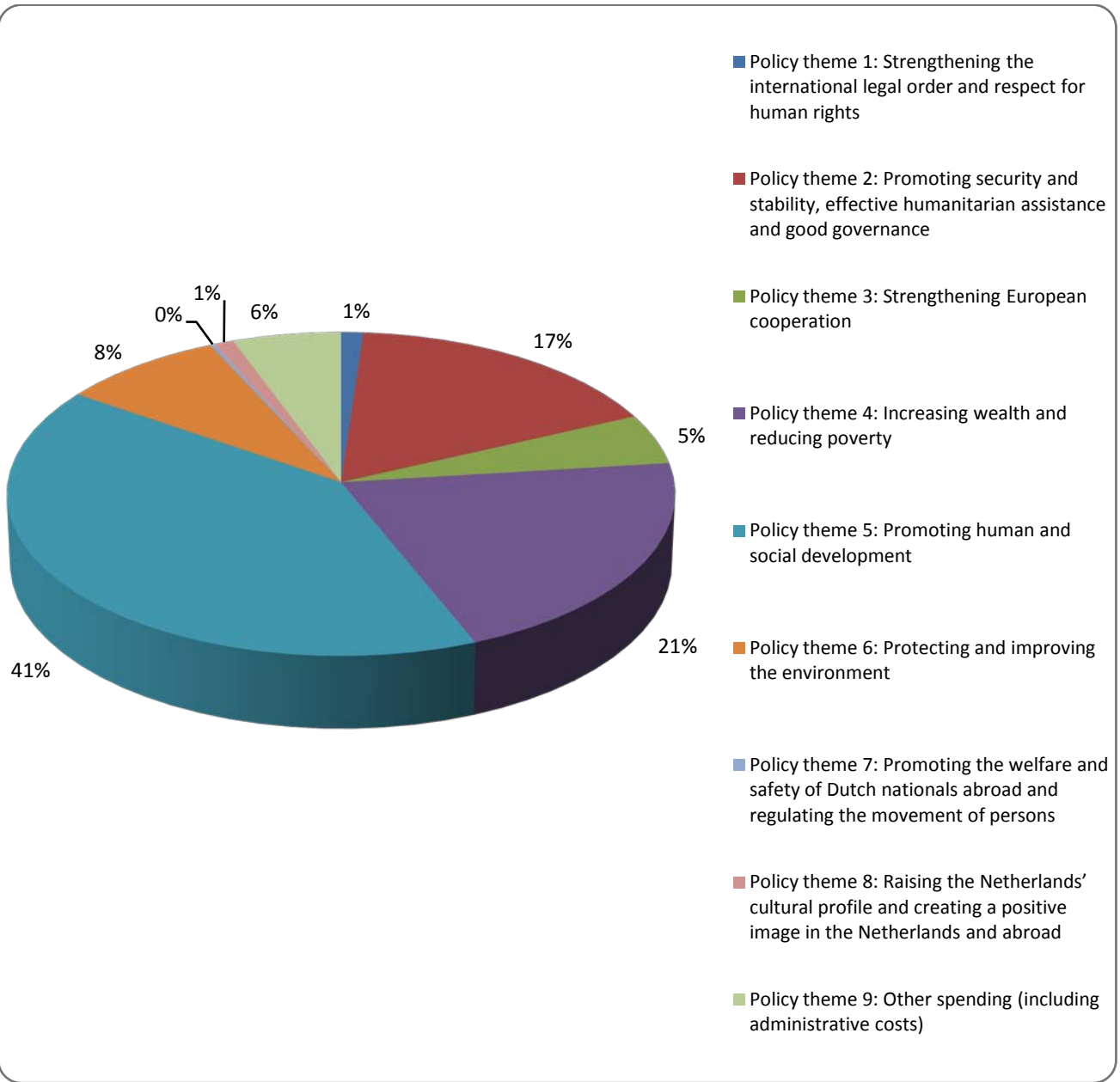
A number of other ministries contribute a relatively small (less than 10million Euros per annum) to the Netherlands' ODA budget. These ministries are:

- Justice Ministry
- Office of the Auditor General
- Transport Ministry
- Economics Ministry
- Agriculture Ministry
- Health Ministry

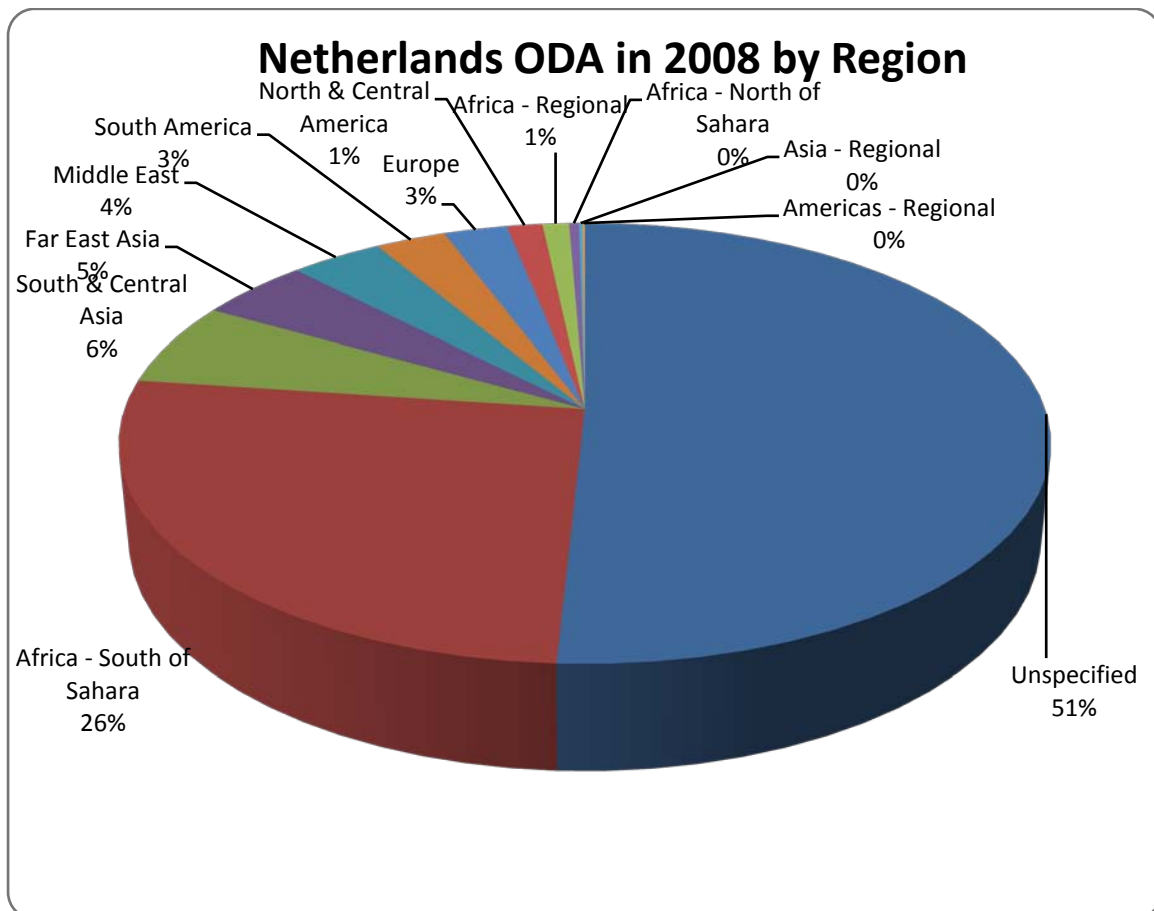
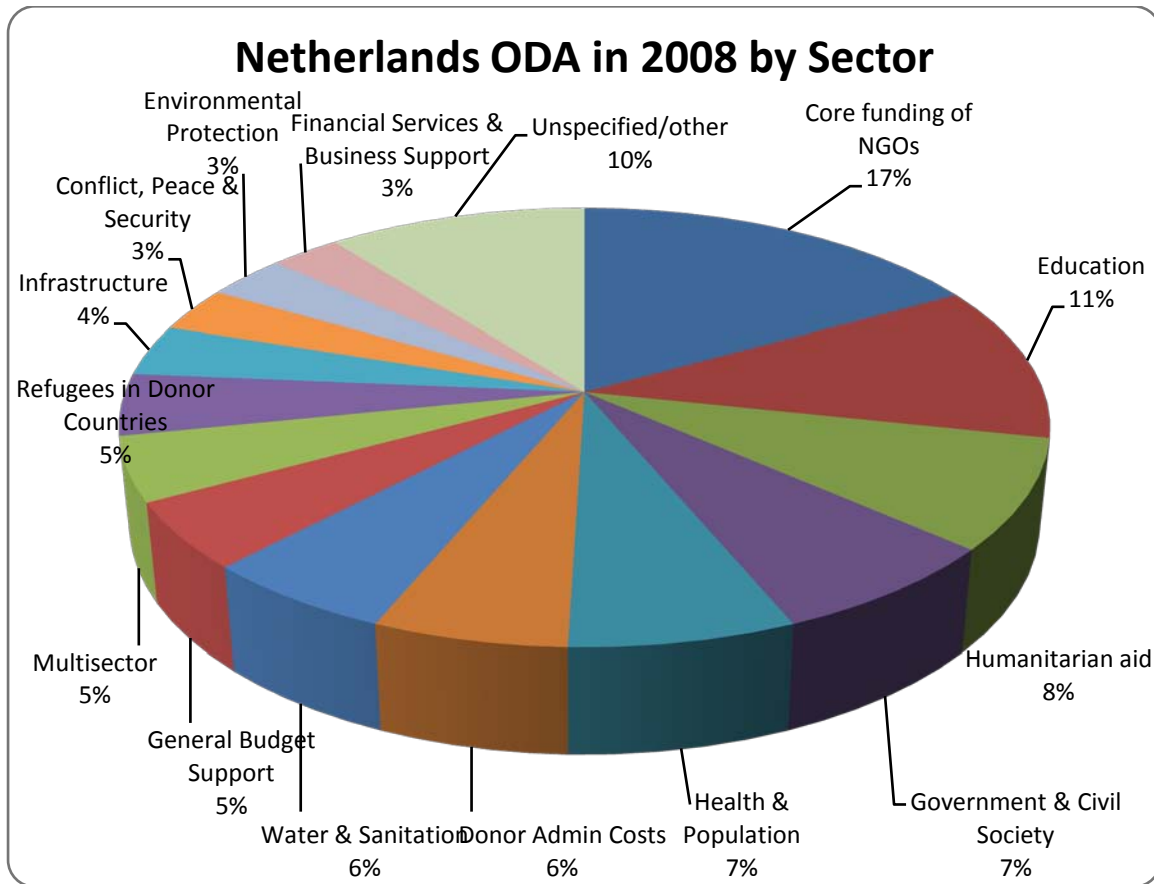
## Appendix A – Foreign Ministry ODA Budget Analysis 2010

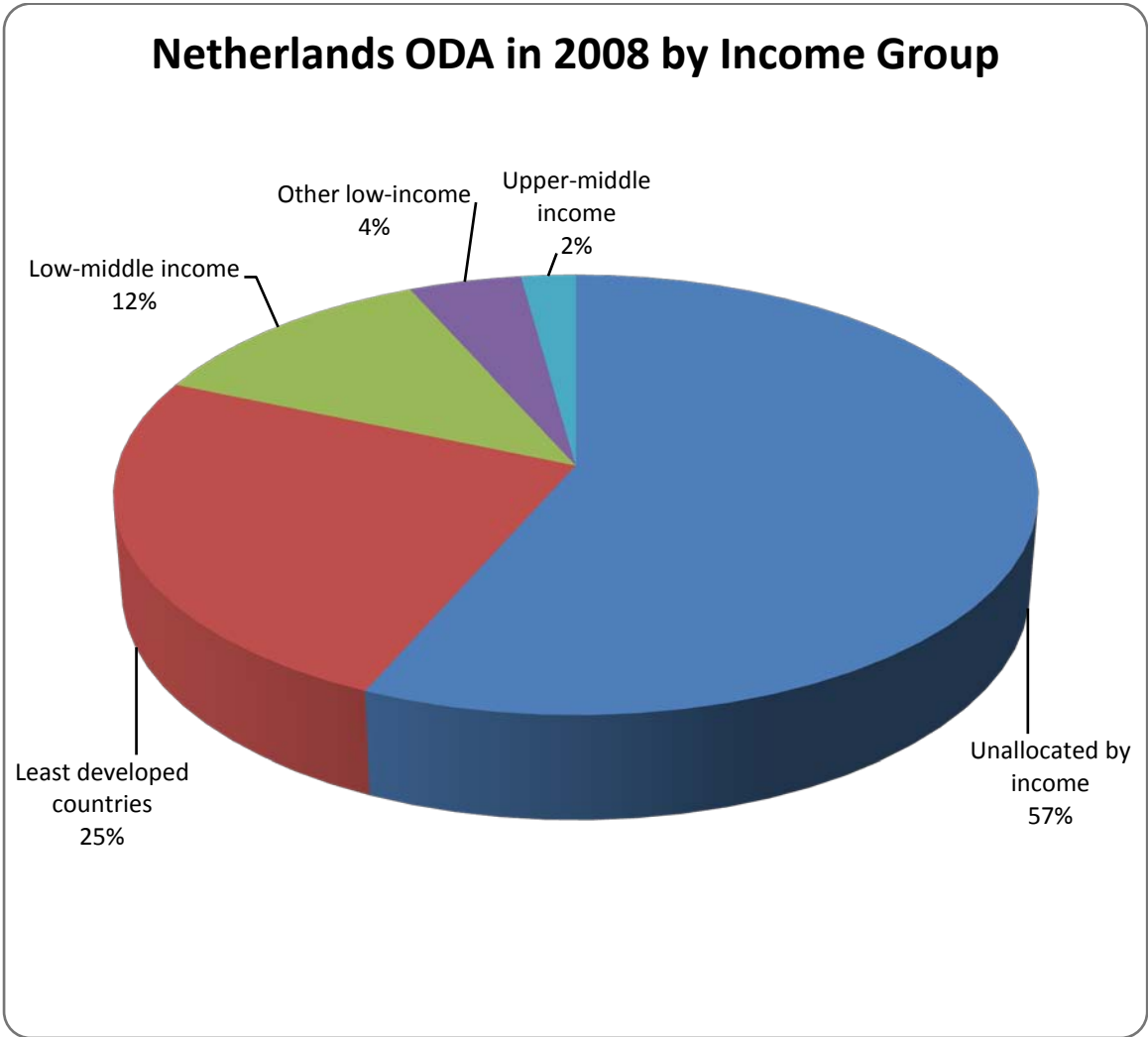
<b>Policy Theme</b>	<b>EUR 000's</b>	<b>% of total</b>
Policy theme 1: Strengthening the international legal order and respect for human rights	43,984	1.2%
Policy theme 2: Promoting security and stability, effective humanitarian assistance and good governance	646,531	16.9%
Policy theme 3: Strengthening European cooperation	191,052	5.0%
Policy theme 4: Increasing wealth and reducing poverty	793,555	20.8%
Policy theme 5: Promoting human and social development	1,555,030	40.7%
Policy theme 6: Protecting and improving the environment	325,346	8.5%
Policy theme 7: Promoting the welfare and safety of Dutch nationals abroad and regulating the movement of persons	9,000	0.2%
Policy theme 8: Raising the Netherlands' cultural profile and creating a positive image in the Netherlands and abroad	38,475	1.0%
Policy theme 9: Other spending (including administrative costs)	214,790	5.6%
<b>TOTAL</b>	<b>3,817,763</b>	

**Netherlands Foreign Ministry ODA by policy theme 2010**



## Appendix B – Overview of The Netherlands’ ODA Disbursements





**Top 10 Recipients of Netherlands ODA in 2008**

Rank	Recipient	\$ million
1	Indonesia	163.3
2	Sudan	157.6
3	South of Sahara, regional	128.5
4	Ghana	120.2
5	Tanzania	114.9
6	Ethiopia	113.6
7	Afghanistan	112.0
8	Mozambique	105.7
9	Burkina Faso	88.9
10	Zambia	85.0