Political Inputs to the Aid Allocation Process: Evidence from Spain

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Abstract   Rich countries spend about $100 billion a year on poor countries. But details about how this money is spent-and why-is usually unavailable. Even the aggregate figures reported to the public are often of pledges of aid rather than actual amounts spent. Using a detailed data set from Spain, 1999-2003, we explore how at least one rich country has chosen to spend its foreign aid budget, including a closer look at actual projects funded. Moreover, we will attempt to examine the political forces that shaped the allocation of that aid. In particular, we divide political factors into three groups: domestic, regional, and strategic, and find that all three play a role in how much money a poor country receives from donors.

Keywords   Aid Allocation, International Aid, International Cooperation, Outsourcing.

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1. Introduction

Together, rich countries spent over $400 billion on poor countries in the period 1999-2003. But details about how this money is spent—and why—is usually unavailable. Even the aggregate figures reported to the public are often of pledges of aid rather than actual amounts spent. Using a detailed data set from Spain, 1999-2003, we explore how at least one developed country has chosen to spend its foreign aid budget, including a closer look at some of the more than 17,000 projects funded by this money. Briefly, a majority of aid went to middle income countries rather than low-income countries.

By focusing on the allocation of aid—who got how much—we deliberately avoid the important question of whether foreign aid is effective. Also, we restrict our attention to foreign aid spending by governments, even though individuals in rich countries contribute considerable amounts to international charities. Thus our examination of foreign aid is actually the study of a political process, in which the data give us an opportunity to gauge the importance of various political influences.

What political concerns drive the allocation of foreign aid? We consider three categories: domestic, regional, and strategic. Domestic political concerns are those that affect legislators, typically such issues as employment, taxes, infrastructure. Regional issues, in general, would have to do with neighboring countries. But in Spain's case, as a member of the European Union (EU), EU policies most likely dominate regional concerns; policies such as expanding EU membership to include several poorer countries. Finally, strategic concerns have to do with a country's security and relative power in the world, and as such, are rarely articulated fully and honestly. Stated objectives include the containment of communism during the Cold War and the halting of terrorism today. The empirical problem is that strategic action is may be driven by unstated objectives as well.

How do these political objectives affect aid outcomes? We use proxies for each type of political input to examine the extent to which domestic, regional, and

strategic politics increases the amount of aid a country receives. Specifically, we use Parliament's list of high-priority aid countries to proxy for domestic political priorities, and the EU's list of candidate countries to proxy for regional political changes. We measure a poor country's strategic importance by the amount of Spanish aid it receives through non-governmental organizations (NGOs), i.e. the percentage of aid that Spain outsources. This transaction cost reasoning to suppose that the more important a country, the less Spain would outsource its aid.

We find that all three types of political concerns—domestic, regional, and strategic—affect the allocation of aid and help explain the descriptive statistics.

2. Literature

The literature on foreign aid allocation has mostly concerned itself with the *intentions* of donor countries. Do rich countries give to poor countries primarily to benefit the recipient country or to benefit themselves? The empirical challenge in answering this question is that foreign aid efforts are likely to benefit both donor and recipient. The first U.S. aid initiative, the Marshall Plan, is a prime example of the dual nature of foreign aid.

Nevertheless, the debate in the literature can be characterized as "donor need" versus "recipient need". Empirical studies of 1960s US bilateral aid (Davenport, 1970; McKinley and Little, 1977, 1979) argue on the side of donor-need. This is perhaps not surprising, given the economic strategy of the Cold War to strengthen non-communist countries and isolate communist countries. But Gang and Lehman (1990) also find evidence for the donor-need hypothesis in the 1970s, examining donation patterns in Latin America before and after a 1973 Congressional resolution to direct aid to the poorest countries.

Maizels and Nissanke (1984) carry the debate into the 1980s, studying two periods 1969-1970 and 1978-1980. They find that multilateral aid is driven more by recipient need while bilateral aid is driven by donor-need, but that this changes

over time (the 1980s are more donor-need driven than the 1970s) and by donor country (e.g. the US is more donor-need driven than Germany). Trumbull and Wall (1994) also examine data from the 1980s and find in favor of recipient-need as expressed by infant mortality and political-civil rights. Finally, Burnside and Dollar (2000) examine aid allocation in the 1990s, distinguishing for the first time grants from loans and find support for a donor-need orientation.

While exploring the donor need/recipient need question, other patterns emerge from these studies. First, better-off countries receive a disproportionate amount of aid, a "middle-income bias". Second, studies of 1970s aid observe an additional "small country bias", in which smaller countries get more per capita aid than larger countries (Dudley and Montmarquette, 1976; Dowling and Hiemenz, 1985; also, Burnside and Dollar, 2000).

The allocation question has evolved over the years from a simple donor- or recipient-benefit one to a more refined view that different circumstances produce more or less donor-oriented aid allocations. But this framing of the aid question has some important problems. For instance, classifying benefits can be difficult. Did the Marshall Plan benefit the US or Germany? Classifying independent variables has also been tricky. Is recipient population an indication of political power and thus a measure of potential donor benefit, or is recipient population an indication of a country's need?

Instead, we start by recognizing that aid allocation is the result of a political process, and then use project level data to examine sources of political influence on allocation decisions. Previous studies looked at aid totals. We use a unique data set of all aid projects funded by grants by a single donor country. This project data can tell us how money was spent and, from outsourcing data, how strategic the projects were.

3.   The Political Process for Allocating Aid (Spain)

Our data are compiled by the Spanish government and include all grant funding for foreign development projects. Since funding processes may vary by donor country, we provide a brief description of the process and institutions used in Spain.

Each year, an interministerial commission is convened to propose a budget for all Spanish foreign aid, including multilateral aid (aid to multilateral organizations like the EU or United Nations) and bilateral aid (aid directly to poor countries).

The resulting "Annual Plan" provides a rough breakdown of spending by country and sector and includes aid contributions from a variety of government ministries. Table 1 shows the contribution to bilateral aid by various ministries for 2003. Our data examines a subset of Foreign Ministry spending.

The Interministerial Commission for Development Cooperation, which assembles the budget proposal, is made up of representatives from the various ministries that contribute aid, and is chaired by the Secretary of State for International Cooperation (SSIC), appointed by the Prime Minister. As a political appointee, this secretary uses his position's considerable discretion to direct the allocation of aid according to the priorities of the Prime Minister.

The commission submits its proposed budget to the Prime Minister who approves it and submits it to Parliament for approval and oversight.

Parliament itself publishes a list of high priority recipient countries every four years. A standing all-party committee generates this list, and provides approval and oversight of the foreign aid budget. This process takes place independently of the budgeting process of the executive branch just described.

The part of the overall foreign aid budget that we are interested in is bilateral grant aid. Once the budget is approved, the SSIC begins the more detailed work of selecting the projects that will be managed "in-house" and allocating specific amounts to projects that will be outsourced. This detailed budget is passed on

to the Agency for International Cooperation (AECI), which manages in-house

Table 1: Foreign Aid: Budget and Actual, Spain, 2003 (€).

Ministries, Regional and Local Agencies	Budget	Actual	Actual/Budget (%)	Share of Actual Total Aid (%)
Ministry of Presidency	33.1	0.04	0.1%	0.0%
Foreign Ministry	438.5	376.54	85.9%	21.7%
Ministry of Economy	636.3	493.02	77.5%	28.4%
Ministry of Finance	461.2	465.27	100.90%	26.8%
Ministry of the Interior	14.8	8.27	55.9%	0.5%
Ministry of Defence	108.0	41.00	38.0%	2.4%
Ministry of Housing	1.5	1.26	83.7%	0.1%
Ministry of Culture, Education and Science	31.6	6.81	21.6%	0.4%
Ministry of Work, Social Affairs	26.9	29.18	108.5%	1.7%
Ministry of Science and Technology	11.5	19.99	173.8%	1.2%
Ministry of Agriculture and Fishing	1.2	2.29	191.1%	0.1%
Ministry of Public Administrations	0.5	0.34	68.0%	0.0%
Ministry of Health and Consumption	2.1	2.10	99.9%	0.1%
Ministry of Environment	3.2	1.86	58.1%	0.1%
Other Public Agencies (Universities, other)	0.0	1.51	100.0%	0.1%
Regional Agencies	216.9	197.49	91.0%	11.4%
Local Agencies	91.1	88.98	97.7%	5.1%
Total Official Development Aid (ODA)	2078.40	1735.96	83.5%	100.0%

projects and the outsourcing process. Figure 1 is an organization chart showing the relevant portions of the executive branch of government.

Given the organization and process of allocating aid, we expect the priorities of the executive to be expressed, since the Prime Minister's appointee chairs the allocation process.

These priorities will include primarily strategic objectives but will likely take into account regional concerns. Finally, any such Annual Plan will be constrained by legislative priorities, since Parliament approves and overseas the foreign aid budget.
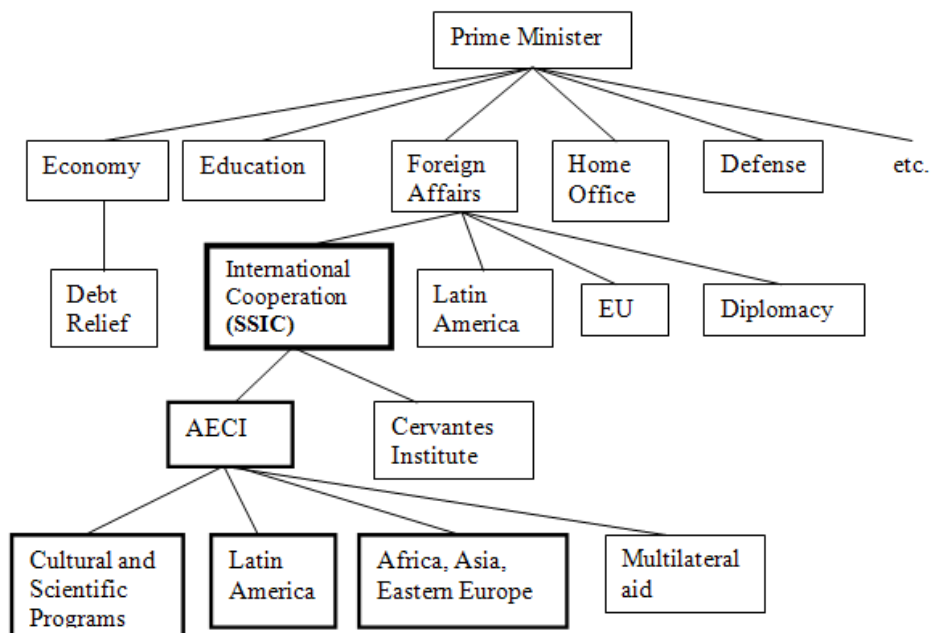
*Bold-faced boxes indicate agencies whose foreign aid spending is captured in our data.

Figure 1: Executive Branch Participation in Foreign Aid (Spain).

4.   Data and Descriptive Statistics

We use data on Spanish aid grants for the five-year period, 1999-2003. Note that this excludes multi-lateral aid, i.e. aid to multi-lateral organizations like the EU and UN. Also, we exclude loan aid, and subsequently, debt forgiveness. During the period studied, a total of €3.66 billion were distributed to 165 different countries via 15547 projects. Table 2 lists some descriptive statistics.

While these numbers might suggest the casting of a wide net, with lots of projects in lots of countries, a closer examination provides an entirely different picture. Of the total spending on foreign aid, 75% went to just 20 countries (Table 3).

As mentioned earlier, Parliament puts together a list of priority countries every four years. Many of the countries on the list have colonial ties to Spain, and thus make up almost half the list in both 1998 and 2002. Nearby African co-

Table 2: Foreign Aid Statistics (Spain, 1999-2003).

Total Aid Distributed	€3.66 billion
Number of Projects	15,547
Countries served	165
% of Aid going to Top 20 Recipients	75%
Number of Projects Outsourced	8,035 (51.7%)
Value of Outsourced Projects	€1.05 billion (29%)
Number of NGOs with top-level responsibility	762
Projects Going to Top 20 NGOs	2297 (28.5%)

Table 3: Top 20 Aid Recipients (1999-2003).

Rank	Country	Amount (€)
1	Bulgaria	555
2	Nicaragua	551
3	Romania	285
4	Morocco	173
5	Poland	172
6	Israel	149
7	Peru	143
8	Russia	140
9	Kosovo	138
10	Bosnia Herzegovina	138
11	Ukraine	137
12	Bolivia	133
13	El Salvador	113
14	Mozambique	93
15	Honduras	93
16	Guatemala	89
17	Colombia	86
18	Ecuador	73
19	Dominican Republic	62
20	Cuba	61

untries, which affect Spain directly through immigration, also make the list of domestic priorities. Table 4 shows the priority lists for 1998 and 2002.

Table 4: High Priority Countries for Receiving Foreign Aid (Spain).

1998	2002
Albania	Albania
	Algeria
Angola	Angola
Bolivia	Bolivia
Bosnia Herzegovina	Bosnia Herzegovina
Cape Verde	Cape Verde
	China
Colombia	Colombia
Cuba	Cuba
Dominican Republic	Dominican Republic
Ecuador	Ecuador
	El Salvador
Equatorial Guinea	Equatorial Guinea
	Guatemala
	Guinea Bissau
	Honduras
India	
Kazakhstan	
	Kosovo
	Mauritania
Morocco	Morocco
Mozambique	Mozambique
	Namibia
	Nicaragua
Palestinian Territories	Palestinian Territories
Paraguay	Paraguay
Perú	Perú
Philippines	Philippines
	Saharauis
Santo Tomé and Principe	Santo Tomé and Principe
	Senegal
South Africa	South Africa
	Tunisia
Vietnam	Vietnam

Casual inspection suggests that many of the top 20 recipients are not on Parliament's priority list for either 1998 or 2002. Figure 2 is a Venn diagram of countries in the top 20 list of recipients and countries on the Parliament's list of high priority recipients (see Appendix 1).

Stated priorities
Albania, Algeria
Angola, CapeVerde
China, Senegal
Namibia
Palestinian Terr.
Paraguay
Philippines
Kazakhstan
Vietnam
Mauritania
Saharauis
Tunisia, India
South Africa
Equatorial Guinea
Guinea Bissau
Santo Tome & Principe

Nicaragua
Morocco
Peru
Kosovo
Bosnia
Bolivia
El Salvador
Mozambique
Honduras
Guatemala
Colombia
Ecuador
Dominican Republic
Cuba

Actual Priorities
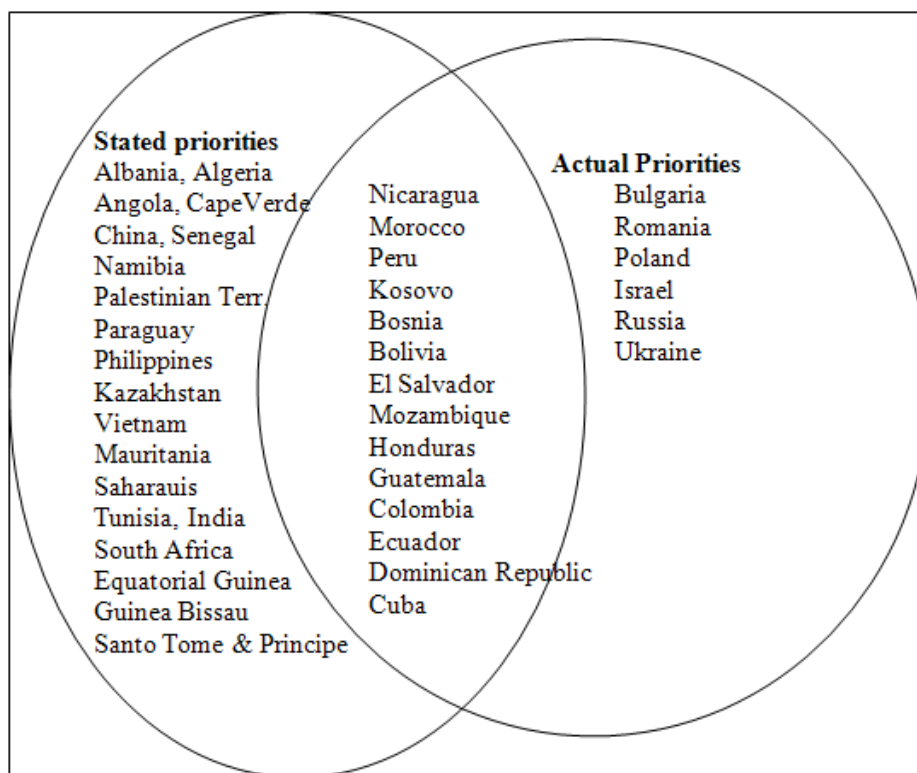Bulgaria
Romania
Poland
Israel
Russia
Ukraine

Figure 2: Ex ante Priorities for Foreign Aid and Actual Outcomes (Spain, 1999-2003).

This apparent mismatch between legislative priorities and actual allocations might make one skeptical of the effectiveness of legislative input, but a statistical test in the next section will show that being a priority of Parliament does improve

a country's aid allocation. Parliament does, after all, have approval authority over any aid budget.

Before turning to the statistical analysis of data, we first take a brief look at outsourcing. Of the 15,547 aid projects funded by the Spanish government, 8,035 were completely outsourced to 762 different NGOs. Again, we get a picture of widespread participation by outside experts and service providers. Indeed, there was some outsourcing in every country-project category for which there was activity (see Appendix 3 for a list of categories). This extensive use of outsourcing is perhaps not so surprising, given the proliferation of NGOs with local expertise. Also, the concentration of outsourcing—the top 20 NGOs managed almost 30% of outsourced projects—seemed reasonable given the existence of large, well-known NGOs like the Red Cross. More surprising was the large amount aid money controlled by Spanish administrators: €2.61 billion (71%) of funded projects were not outsourced (Table 2).

5.   Analysis

Why do some countries get more aid than others? We posit that the allocation of aid is a political process and that therefore, political priorities affect the amount of aid poor countries receive. Those that are a political priority get more than those that are not, ceteris paribus. With the amount of aid a country receives as our dependent variable, we look at political inputs (domestic, regional, and strategic priorities) and control for obvious attributes such as population (the literature finds a "small country bias"), poverty (there may be a "middle income bias") and governance (stated policies, such as the US Millennium Challenge Grant, seek to reward good governance).

5.1.   Explanatory Variables: Politics

Domestic politics: Descriptive statistics suggested that being designated a priority by the Spanish parliament was by no means a ticket to prosperity. On

the other hand, many of the countries on the priority list are small. We wish to test whether, after controlling for size and other factors, being on the List results in more aid.

Regional politics: Descriptive statistics also suggested that EU candidacy was an important factor in receiving aid. One reason EU candidates did not appear regularly on the Parliament's list might be that EU issues probably impact the executive more than the legislative, which is more concerned with its domestic constituency.

Strategic politics: Because strategic priorities are often unspoken publicly, we do not have a simple list of countries that the executive considers strategically important. We nevertheless hypothesize that projects in strategic countries are less likely to be outsourced than projects in strategically unimportant countries, so that outsourcing might be used to identify strategic importance. This hypothesis arises from a general transaction cost approach but also a specific discussion by Williamson (1999) regarding foreign affairs.

Of course, other factors may enter into the outsourcing decision. For instance, a literature on foreign direct investment (FDI) (e.g. Henisz, 2000, Oxley, 1999) argues that corruption or governance in a country affects the types of projects that can be outsourced to a country. To test whether the Spanish government is constrained in its outsourcing decisions by governance, we estimate the following logistic equation:

$$\text{OUT}_i = \alpha + \beta_1 \cdot \text{Henisz}_i + \beta_2 \cdot \ln (\text{life exp})_i + \beta_3 \cdot \ln (\text{pop}) + \beta_4 \ln (\text{size project}) +$$
$$\beta_5 \ (\text{number ngo by year by country}) + \beta_5 \ \text{dummies year}_i +$$
$$\beta_6 \ \text{dummies crs sector}_i + \varepsilon_{it}$$

We find that our governance variable, Henisz, is not significant. (The Henisz index is described below). See Table 5.

Table 5: Test for the Effect of Target Country Governance on Foreign Aid Outsourcing.

Henisz	0.05
# NGOs outsourced to in target country that year	0.03***
Ln(pop)	0.07***
Ln(project size)	0.19***
Ln (life expectancy)	-2.68***
1999	20.7
2000	20.5
2001	20.9
2002	21.0
Sector 1	-0.12
Sector 2	-0.09**
Sector 3	-0.11***
Sector 4	-0.07***
Sector 5	-0.04
Sector 6	-0.04
Sector 7	-0.05*
Sector 8	0.04
Sector 9	-0.02
Sector 10	-0.05
Sector 11	0.03*
Sector 12	-0.02*
Sector 13	0.09*
Sector 14	-1.5
Sector 15	0.00
Sector 16	-0.04**
Sector 17	-0.02***
Sector 18	0.01*
Sector 19	0.01**
Constant	-13.0

Dependent Variable: Outsource Project $(y = 1)$
*denotes $p < 0.05$, ** $p < 0.01$, ***$p < 0.001$

Two reasons our results differ from those in the FDI literature is that litera-

ture deals with firms—rather than governments—that outsource to for-profit
firms rather than nonprofit NGOs. As nonprofits, NGOs differ in their incentives
(Kuan, 2001; Gertler and Kuan, 2004), perhaps notably in their incentive to
behave opportunistically. Thus Williamson's (1999) prediction that foreign affairs
activities, including diplomacy and espionage, cannot be outsourced because they
require too high a level of probity and integrity for a profit maximizing firm is
clearly contradicted by the extensive outsourcing done by foreign aid offices.

Finally, we recognize that hostile conditions might prevent NGOs from op-
erating in certain countries. For instance, NGOs have left Iraq because war has
made it too dangerous for NGOs to operate. Also, recently the Russian govern-
ment has imposed severe filing requirements in an effort to drive out international
NGOs. It is true that we cannot distinguish a strategic importance from hostility
to NGOs, but we argue that this would bias against our results.

5.2.   Control Variables

Population size: The literature suggest that smaller countries receive dispro-
portionate amounts of aid, possibly because donors wish to have a larger impact
and so concentrate their resources where the per capita impact will be the great-
est. Figure 3 is a log-log plot of population and aid.

Poverty: Because health is found by earlier studies to be an important factor
in aid effectiveness, we include the life expectancy measure published by the
World Health Organization (WHO).

Governance: We use a relatively new measure of governance, the Henisz index
(Henisz, 2000), which incorporates the political constraints on a country's exec-
utive. There are, of course, other measures of governance, but we use the Henisz
index because it parsimoniously captures civic and judicial engagement as well
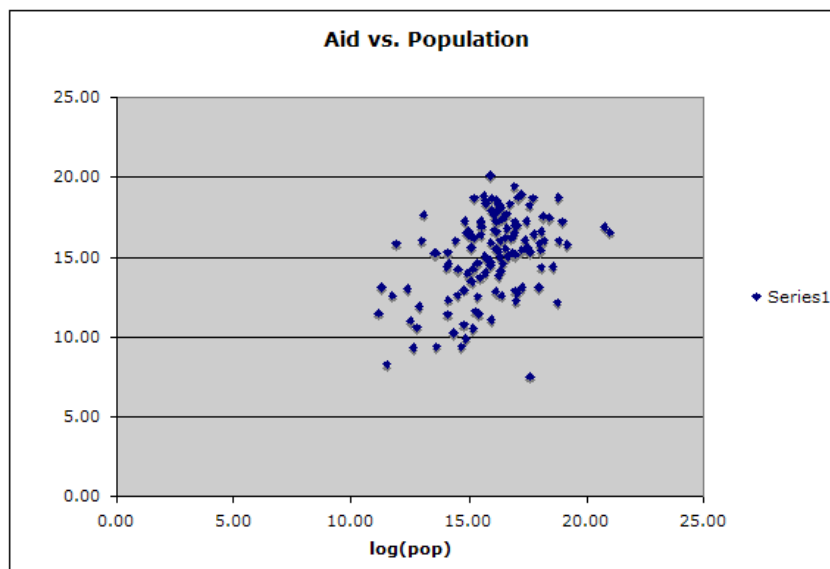as controls on corruption, all in a single 0 to 1 index.

Figure 3: Aid to Population of Recipient Countries (Spain, 1999-2003).

6.   Models

To analyze the data, we aggregate aid received by each country over the 5 year period. Other regressions disaggregating by year show years not to be jointly significant. We use variations of the following log model:

$$\ln(\text{aid}) = \text{const} + \beta_1 \ln(\text{population}) + \beta_2 \ln(\text{life exp}) + \beta_3 \text{Henisz} +$$
$$\beta_4 \text{List} + \beta_4 \text{EU} + \beta_5 \ln(\text{aid outsourced}) + e$$

Model 1: Domestic Politics—Parliament's Priority List

In our first model, we ask whether the priority list matters. After all, given the relatively large amounts of aid going to non-list middle-income countries, we wonder whether the list has any effect at all. Controlling for the size of the receiving country (population), poverty (life expectancy) and governance (Henisz) we find that being on the priority list matters indeed.

Our results with regard to the control variables are consistent with other studies that found that smaller countries get disproportionately more aid, and that governance is not significant. Life expectancy was not found to be significant.

Model 2: Regional Politics—EU Candidates

We observed in the descriptive data that several EU candidates received a lot of aid even though they were not a priority for the legislature. Indeed we find that the EU candidate flag is significant in getting recipients more aid. Here, too, population is significant and consistent with a small country bias, while life expectancy and the Henisz index are not significant.

Model 3: Strategic Politics—Outsourcing as Revealed Preference

Lastly, we ask whether a country's priorities can be observed by its outsourcing behavior. That is, just as firms do the most strategically important tasks in-house, so governments would do in-house those projects that affect relations with the most strategically important countries. We therefore look at the amount of money that NGOs manage in each country and find that, as expected, more aid goes to countries with less outsourcing.

Results are shown in Table 6.

7.   Discussion and Conclusions

The process that brings rich country resources to bear on poor country problems is long and involved. From the first political decision to solve a problem, whether to help the poor country or to help itself, many things can divert money from its intended target. In poor countries, bad governance, weak institutions, and a lack of leadership (Shirley, 2004) can all derail aid efforts. In rich countries, bad administrative practices, like the tying of aid (Jepma, 1991), can waste time

Table 6: Allocation of aid.

Dependent var: ln (aid received)	Model 1 Domestic Politics	Model 2 +Regional Politics	Model 3 +Strategic Politics
ln (population)	0.63***	0.65***	0.32***
	(0.10)	(0.10)	(0.09)
Life expectancy	0.01	0.00	0.03*
	(0.02)	(0.02)	(0.01)
Henisz	1.42	0.77	0.55
	(0.89)	(0.90)	(0.71)
Priority list (y=1)	2.74***	3.01***	1.65***
	(0.42)	(0.42)	(0.37)
EU candidate (y=1)		1.62**	2.60***
		(0.62)	(0.50)
ln (NGO controlled aid)			0.24***
			(0.03)
Constant	8.02***	8.38***	6.80***
	(1.40)	(1.37)	(1.09)
R2	0.43	0.46	0.67
N	123	123	123

*denotes $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

and money. But all of these problems assume that aid has been allocated, that political will has been followed through with funded projects. This study looks at the crucial step in the process, in which aid allocations respond to rich countries' stated and unstated goals.

Having detailed data for just one country, Spain, we might be cautious about extending our findings to other countries. Surely other countries have different political processes for prioritizing aid requests and bureaucratic processes for allocating aid. That said, we look at aggregated data from the OECD for all rich-country giving and find rather similar patterns, especially in terms of large amounts of aid going to middle-income countries. The Development Assistance Committee (DAC) has 23 member countries (Appendix 2) that together gave about $414 billion in aid over the 5-year period we study. About 27.7% of this

money went to poor countries and 24% went to middle-income countries, as compared with 21% and 29%, respectively, of Spain's aid.

In our study, we depart from the donor- versus recipient-need dichotomy in the literature to look instead at sources of political influence: domestic, regional and strategic. Not only does this taxonomy find statistical significance in our data, it also provides some explanations for observed patterns. First, the middle-income bias that appears in so many other studies has a ready explanation as a regional political matter. Also, the efforts of celebrities on behalf of poor countries make sense in the context of influencing public opinion and thus domestic political priorities for aid. Finally, our interpretation of outsourcing allows us to observe unstated, strategic priorities. While we do not address the many normative issues associated with foreign aid, especially how we *should* allocate aid, we believe that the responsiveness to political priorities makes aid allocation, in principal, responsive to the people of donor countries.

Finally, the main limitations of our paper could be extensions for further work. First, the period of analysis could be extended; second, we can include more donor countries in the analysis, and third, we could include other explanatory variables to test the robustness of our results.

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APPENDIX 1: Top 50 Allocations of Development Aid, Spain, 1999-2003.

Country	Project	Amount
Nicaragua*	Debt forgiveness	417
Bulgaria	Debt forgiveness	282
Romania	Spanish language and culture teaching and promotion	118
Poland	Spanish language and culture teaching and promotion	118
Israel	Promotion of Spanish culture abroad	96
Ukraine	Contribution to International Atomic Energy Agency	63
Bulgaria	Restoring of a Spanish bilingual center & self-employment creation	50
Bulgaria	Restoring of chirurgic, neurology, obstetrics and gynecology department	50**
Ukraine	Medical material for the Kiev Hospital	38
Russia	Individual grants to Central and Eastern Europe	34
Romania	Technical assistance for small business in the winery sector (Vrancea)	34
Russia	Individual grants to Central and Eastern Europe	34
Senegal	Debt forgiveness	34
Israel	Computers convoy	34
Romania	Technical assistance for small business in the winery sector (Vrancea)	34
Nicaragua*	Debt forgiveness	33
Bulgaria	Professional training and self-employment	33
Ukraine	Individual grants to Central and Eastern Europe	32
Bulgaria	Individual grants to Central and Eastern Europe	31

(continuation)

Bulgaria	Technical assistance to the Ministry of Public Health during the restoring of hospital management	30
Romania	Assistance to the Agency for Infancy protection	22
Romania	Dis-institutionalize the infancy protection	20
Morocco*	Expenditures of educational centers	19
Mozambique*	Debt forgiveness	18
Romania	Bureaucratic costs of Spanish embassies	18
Romania	Education for Universities. Lectorates	18
Romania	Individual grants to Central and Eastern Europe	18
Morocco*	Expenditures of teachers in educational centers	16
Russia	Bureaucratic costs of Spanish embassies	15
Bulgaria	Restoring and equipment for the bilingual Spanish centre in Sofia	15
Korea	Education at the university. Grants	14
Russia	Courses to teachers in economy	14
Bulgaria	Courses related to the viability of tourist sector	14
Slovakia	Technical assistance to the development of policies for gipsy minorities	14
Libya	Individual grants to Arab countries	13
Bolivia*	Debt forgiveness	12
Bulgaria	Humanitarian project and technical help for centres of "Casa de la Mother and Children" for children	12**
Morocco*	Expenditures of teachers in educational centers	11
Serbia & Montenegro	Debt forgiveness	11
Hungary	Individual grants to Central and Eastern Europe	10
Russia	Course related to taxes management	10
Bulgaria	Rebuilding the facilities of psychiatric handicap and physic handicap in Krushari	10

(continuation)

Bosnia Herzegovina	Spanish engineering to rebuild infrastructures	9
Afghanistan	Rebuilding of international forces for security assistance in Afghanistan	9
Russia	Course related to changes in political states	9
Albania*	Costs for installation of a camp in Hamalla	9
Poland	Scientific cooperation between the Spanish CSIC and researchers from Poland	9
Poland	Individual grants to Central and Eastern Europe	9
Bulgaria	Bureaucratic costs of Spanish embassies	9**
Morocco*	Expenditures of teachers in educational centers	8

* denotes countries on Spain's priority list.

** denotes outsourced project.

APPENDIX 2: List of 23 DAC Members and Date of Membership. *Source: OECD.*

- Australia, 1966.
- Austria, 1965
- Belgium, 1961
- Canada, 1961
- Denmark, 1963
- Finland, 1975
- France, 1961
- Germany, 1961
- Greece, 1999.
- Ireland, 1985.
- Italy, 1961.
- Japan, 1961.
- Luxembourg, 1992.
- Netherlands, 1961.
- New Zealand, 1973.
- Norway, 1962.
- Portugal, 1961, withdrew in 1974 and re-joined in 1991.
- Spain, 1991.
- Sweden, 1965.
- Switzerland, 1968.
- United Kingdom, 1961.
- United States, 1961.
- Commission of the European Communities, 1961.

APPENDIX 3: Purpose Codes. *Source: DAC.*

110   Education

120   Health

130   Population Policies/Programs and Reproductive Health

140   Water Supply and Sanitation

150   Government and Civil Society

160   Other Social Infrastructure and Services

210   Transport and Storage

220   Communications

230   Energy Generation and Supply

240   Banking and Financial Services

250   Business and Other Services

311   Agriculture

312   Forestry

313   Fishing

321   Industry

322   Mineral Resources and Mining

323   Construction

331   Trade Policy and Regulations

332   Tourism

400   Multisector/Cross-cutting

500   Commodity Aid and General Program Assistance

600   Action Relating to Debt

700   Emergency Assistance and Reconstruction

910   Administrative Costs of Donors

920   Support to Non-Governmental Organizations (NGOs)

998   Unallocated/Unspecified