THE POLICY MARKER SYSTEM

DAC Markers
BMZ Markers

— Guidelines —

December 2014
CONTENTS

Contact persons for queries

1. Introduction 2

2. Background: The OECD/DAC Policy Marker System 2
   2.1 Overview of the markers 2
   2.2 Objectives and limitations of the DAC marker system 2

3 Classifying Development Measures Using the DAC Policy Marker System 4
   3.1 GG marker – gender equality 4
   3.2 PD/GG marker – participatory development/good governance 7
   3.3 RMNCH marker – contributions to reproductive, maternal, newborn and child health 9
   3.3 TD marker – trade development 12
   3.4 BTR marker – gearing cooperation to objectives of the Convention on Biological Diversity (Rio marker) 14
   3.5 DES marker – gearing cooperation to objectives of the Convention to Combat Desertification (Rio marker) 16
   3.6 KLA marker – adaptation to climate change (Rio marker) 18
   3.7 KLM marker – reduction of greenhouse gases (Rio marker) 21
   3.8 UR marker – environmental protection and resource conservation 24
   3.9 PBA marker – programme-based approaches 26

4 BMZ's National Markers 33
   4.1 AO marker – assessing the poverty orientation of development measures 33
   4.2 FS marker – peace and security 39
   4.3 LE marker – rural development and food security 41

5. Cross-cutting Issues 44
   5.1 Human rights 44
## Contact persons for queries

### AO marker
- N.N. extension N.N.

### BTR marker
- Dr. Kirsten Probst extension 1229 (Eschborn)

### DES marker
- Silke Hertrich extension 54264 (Bonn)

### FS marker
- Dr Klaus Schreiner extension 3139 (Eschborn)

### GG marker
- Dr Angela Langenkamp extension 1304 (Eschborn)

### KLA marker
- Dr Andrea Iro extension 54134 (Bonn)

### KLM marker
- Dr Andrea Iro extension 54134 (Bonn)

### LE marker
- Petra Jacobi Tel. 6465 (Eschborn)

### PBA marker
- N.N. extension 6135 (Eschborn)

### PD/GG marker
- Katharina Lampe extension 1520 (Eschborn)

### RMNCH marker
- Kristin Häfner extension 54151 (Bonn)

### TD marker
- Mamadou Diarrassouba extension 1238 (Eschborn)

### UR marker
- Axel Olearius, extension 6278 (Eschborn)
  Roger Wolf, extension 1308 (Eschborn)

### Environmental and climate assessment
- Helpdesk Division 47:
  Arno Sckeyde, extension 1334 (Eschborn)
  Roger Wolf, extension 1308 (Eschborn)
  Michael Scholz, extension 2687 (Eschborn)

### Human rights
- Dr Angela Langenkamp extension 1304 (Eschborn)

### PPP
- Susanne Christ extension 2146 (Eschborn)
1. Introduction

The present guidelines are designed to assist you when preparing programme proposals in public-benefit business with BMZ. They provide pointers on how to deal with BMZ’s development-policy goals, and instructions on how to classify development measures using the DAC policy marker system. As well as describing the aims and logic of the system – as agreed on by the member states of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) – the guidelines also detail the markers currently in use and explain how to apply them.

The guidelines then go on to provide similar information on Germany’s national policy objectives and markers for poverty orientation, rural development and food security, and peace and security.

This version of the guidelines differs from the August 2014 version in that the RMNCH marker – contributions to reproductive, maternal, newborn and child health is added.

For all the other markers the content remains unchanged.

2. Background: The OECD/DAC Policy Marker System

2.1 Overview of the markers

The DAC marker system is a simple descriptive system. It describes ODA measures in relation to their realisation of OECD development policy objectives. For German development cooperation, the DAC markers are supplemented by national ‘BMZ markers’.

Cross-sectoral DAC markers
- Gender equality (GG)
- Participatory development/good governance (PD/GG)
- Trade development (TD)
- Biodiversity convention (BTR)
- Adaptation to climate change (KLA)
- Reduction of greenhouse gases (KLM)
- Combating desertification (DES)
- Environmental protection and resource conservation, ecological sustainability (UR)

National ‘instrument-based’ marker
- Programme-based approaches (PBA)

National cross-sectoral markers
- Poverty orientation (AO)
- Peace and security (FS)
- Rural development and food security (LE)

2.2 Objectives and limitations of the DAC marker system

The DAC policy marker system was developed to guarantee monitoring and comparability of the official development measures of member states. It is designed to measure the degree to which the member states have put the OECD’s development policy objectives into practice. The system is also intended to facilitate improved coordination between the member countries. Furthermore, the marker system can be used to identify measures with a particular development-policy focus (e.g. to identify all development measures with an explicit focus on gender equality).

The policy marker system provides only a partial perspective on the real situation. One factor that makes comparability more difficult is the fact that the classification of development activities within the member states is not standardised. The DAC is aware of this limitation on comparability. Its primary aim is to document progress towards achievement of objectives in the individual member states.

A development measure can target several development policy objectives. To avoid double counting, each development-policy objective is analysed separately. The question is to what extent the measure targets the development-policy objective in question. Is the development-policy objective under analysis
2.2 Objectives and limitations of the DAC marker system

a principal objective of the measure
a significant objective of the measure
not targeted by the measure.

The terms 'principal objective' and 'significant objective' are taken from the DAC terminology. They have no direct equivalent in GIZ's commission management system.

A development-policy objective is a 'principal objective' of a development measure whenever it forms the core of the concept, and the measure aims to achieve direct results in this area. One way to establish whether an objective is a 'principal objective' is to ask whether the measure would have been undertaken without it. If not, then the objective is a 'principal objective'.

'Significant objectives' are those that are not crucial to the planning and implementation of the development measure, but are clearly an integral part of the programme or project concept. Both 'principal' and 'significant' objectives must be clearly articulated within the concept, even though they need not be included explicitly as overall or phase objectives in the GIZ offer.

Markers are assigned on the basis of the specific development measure and its design, i.e. they are not assigned automatically on the basis of 'project types'.

Markers should be assigned as early as possible within the programme/project cycle and may change in the course of the development measure. Where possible, markers should already be assigned to potential projects that are included in the framework planning process. These should then be updated when brief assessments and offers are prepared.

To facilitate data collection, the DAC has decided on a numeric system:

'2' for principal
'1' for significant
'0' for not (yet) targeted to the development-policy objective.

Exceptions to this system include the PBA marker, which follows a different logic (see the section on the PBA marker), and the markers for trade development and crisis classification, which can also be scored '--' for 'not relevant'.

As well as being assigned markers, development measures in the BMZ business sector are also assessed to determine whether they have any significant impacts on the environment or the climate. Independently of the markers, all development cooperation measures are subjected to a preliminary environmental and climate assessment. Depending on the outcome of these preliminary assessments, in-depth environmental and climate assessments may be included as integral components of appraisal missions and project progress reviews. The environmental and climate assessment will only lead to a change in the markers if the results of the in-depth appraisal lead to a modification of the programme or project concept at the level of objectives (principal or significant objectives). For further details please refer to the document Working Guide on the Appraisal/Preparation of TC Measures.
3.1 GG marker – gender equality

3 Classifying Development Measures Using the DAC Policy Marker System

3.1 GG marker – gender equality

1. Background
The cross-sectoral gender equality policy marker (GG marker) was introduced by the Development Assistance Committee (DAC) in 1997 and modified in 2006. It is mandatory in German development cooperation. This ex ante policy marker describes the orientation of a development cooperation measure; its primary purpose is to provide data on the development-policy goal of gender equality. As in the DAC system, in the German system the GG marker is defined as a purely statistical indicator that supplies important information for policymakers.

2. Marker system
The GG marker indicates to what extent a project pursues the objective of promoting gender equality and women's rights, and reducing discrimination and inequality between women and men, and girls and boys. The three scores provide the following information on the project objectives:

GG 2: Gender equality is the principal objective of the development cooperation measure (module objective derived from the programme objective), i.e. is the crucial reason for its implementation.

GG 1: Gender equality is a significant objective, i.e. although it is important it is not one of the principal reasons for undertaking the development measure.

GG 0: The development cooperation measure is not targeted to the policy objective of gender equality, i.e. is neither a principle nor a significant objective.

The marker is assigned for FC and TC in the strict sense at the level of the individual development cooperation measures (= modules of the joint programme proposals), for TC in the broad sense in the annual reports, for measures of non-governmental TC (churches, political foundations and NGOs etc.) upon approval of the measure.

How should programme-oriented joint financing (PJF) arrangements be handled?
These guidelines were developed for individual development cooperation measures. For PJF measures (budget support, multi-donor basket funding e.g. delegated cooperation and trust funds), analogous classification criteria have yet to be developed by the DAC. In the meantime, please apply these guidelines to PJF measures on an analogous basis. According to the agreements and procedures of the donor community, the objective of gender equality and corresponding measures should be incorporated into the relevant national and sector strategies of partners and the joint performance assessment frameworks/policy matrices.

3. Coverage
Development cooperation measures that help promote gender equality and the realisation of women's rights, or reduce discrimination/inequality between women and men, can assume diverse forms and therefore relate to a large number of purpose codes (CRS – Creditor Reporting System).

With certain activities the GG marker results automatically from the CRS code: e.g. CRS 15151/15164 (new 15170) → 'Support for institutions and organisations (governmental and non-governmental) working for gender equality and women's empowerment' – in this case the marker GG 2 is assigned. In order to reduce the work and expense associated with statistical data collection, markers should be assigned automatically where this can be done with sufficient certainty. In such cases no further explanation is required.

1 BMZ Guidelines dated 18 August 2010
2 For details Orientierung Vergabe und Umsetzung GG-Kennung (German only), GTZ-gender steering group November 2010 and Gender analyses, gender steering group of the former GTZ.
3 Where organisations of TC in the broad sense are not involved in joint programme proposals. DED assigns markers at the level of the development measures.
3.1 GG marker – gender equality

4. Definition and criteria for eligibility
According to the DAC definition, development cooperation measures that are targeted to the policy objective of gender equality make a significant contribution to

- reducing existing social, economic or political power inequalities between women and men, girls and boys (e.g. by ensuring that women benefit equally with men from the development activity, or by compensating for existing discrimination), or
- developing or strengthening gender equality or anti-discrimination policies, legislation or institutions.

However, a measure is also targeted to the policy objective of gender equality as a principal or significant objective if it substantially improves the lives of a group suffering gender-based disadvantage (usually women) relative to their initial situation, regardless of whether the lives of other groups (e.g. men) are improved to a greater or lesser extent (see the example involving primary education in the annex: GG 1).

Whenever a measure targets gender equality as a principal or significant objective, this must be reflected explicitly in the project design through specific activities. Concerning the DAC requirement of gender impact analysis, each measure is usually analysed before the GG marker is assigned to determine whether the anticipated impacts can reach a significant order of magnitude and, if appropriate, whether an in-depth analysis should be conducted (which may also entail modifications to the planned measure if these are economically justifiable and in conformity with the principal objective). The gender analysis can be conducted separately or as an integral component of the standard procedures of the implementing organisations. Gender analyses/reference studies conducted by other donors or the partner country may also be used. The outcome of the gender analysis must be plausibly reflected in the assignment of the GG marker in the programme proposal.

Classification is made on the basis of the objectives of the development measure pursued by the partner government and the German side. The explanations below will help you decide which of the three scores is appropriate to a measure.

GG 2: Gender equality is a principal objective of the development measure,

- Measures whose principal objective is to promote gender equality or improve the lives of a group suffering gender-based disadvantage (usually women), i.e. making this contribution is the main motive driving implementation of the measure. The key question ‘Would the measure have been undertaken without this objective’ must be answered ‘no’. If this is the case, GG 2 is the correct classification.
- Measures that target primarily women, but may also target men (e.g. violence prevention, see example in the annex) or both women and men equally.
- Implications: The anticipated impacts on gender equality in GG 2 projects are clearly defined in results chains, are visualised in the system of objectives (programme or module objective) and can be verified using gender-sensitive indicators.

GG 1: Gender equality is a significant objective of the development measure,

- The measure is expected to generate a perceptible positive impact on gender equality.
- Identifying a positive secondary impact of the measure on gender equality is not sufficient for scoring the measure GG 1. The anticipated impacts should play an important and significant role within the programme.
- The anticipated impacts on the group suffering gender-based disadvantage (usually women) can usually be measured or plausibly demonstrated by results chains that are relatively short, or in the case of FC and TC in the broad sense (InWEnt – Capacity Building International, Germany) of medium length.
- The score GG 1 can also be assigned to measures from which men and women profit equally (same direct benefit or equal access to services or equal control over resources etc.).
- Implications: In short results chains (FC), specific impacts on gender equality are usually measured with at least one (results or outputs) indicator. In programmes, gender equality is usually measured either through a component objective or through an indicator at the level of the module objective (TC), or through an indicator of results or outputs at the level of the module objective (FC).

GG 0: Gender equality is not an objective of the development measure.
3.1 GG marker – gender equality

- Measures are scored GG 0 that, according to the results of a plausible appraisal or existing gender analysis, are not expected to lead to a perceptible improvement in the situation of a group (usually women) suffering gender-based disadvantage (e.g. a power transmission line).
- Typically, measures are scored GG 0 for which positive effects on equality can only be made plausible along a very long results chain, i.e. in which it is no longer possible to plausibly demonstrate an effect of the measure at reasonable cost and effort, due to the manifold factors that come into play along the results chain.
- **Implications:** Assigning the score GG 0 to a measure does not mean you do not have to discuss with partners possible ways of nevertheless achieving positive impacts on gender equality through the measure, at reasonable cost and effort.
- Given the limited scope for making positive contributions to gender equality within the measure, it is not appropriate to mainstream gender issues at the level of objectives or outputs.

5. Annex

**Examples of development cooperation measures for which gender equality is a principal objective (GG 2)**
- legal literacy for women and girls;
- male networks against gender violence;
- social security projects which focus specifically on assisting women and girls as a particularly disadvantaged group in society;
- capacity building of ministries of finance and planning to incorporate gender equality objectives in national poverty reduction or comparable strategies;
- measures to introduce gender mainstreaming in institutions and policies.

**Examples of development cooperation measures for which gender equality is a significant objective (GG 1)**
- measures that have as their principal objective to provide drinking water to a district or community while at the same time ensuring that women and girls have safe and easy access to the facilities;
- social security projects which focus on the community as a whole but ensure that women and girls benefit equally with men and boys.
- a programme for the construction of primary schools makes a contribution to gender equality even when the enrolment rate for girls is significantly lower than that for boys, provided that girls then profit to a substantial degree from the measure. The principal objective of the measure is to improve primary education; the anticipated contribution toward gender equality can be considered a significant objective, because the result can be achieved through relatively short results chains.
3.2 PD/GG marker – participatory development/good governance

The marker system

The collection of data on specific development-policy objectives/priority areas of development cooperation is based on a standardised marker system laid down by the OECD Development Assistance Committee (DAC). The marker comprises an abbreviation that stands for the relevant development-policy objective, which is then assigned one of three scores (2, 1 or 0) that reflect the level of importance of the objective within the project in question. The markers for participatory development/good governance are PD/GG 2, PD/GG 1 and PD/GG 0.

PD/GG 2: Participatory development/good governance is a principal objective (module objective derived from the programme objective) of the development measure, i.e. is the crucial reason for its implementation. This can be verified by asking the question: ‘Would the measure have been undertaken without this development objective?’

PD/GG 1: Participatory development/good governance is a significant objective, but is not in itself crucial to the implementation of the measure. The avoidance of negative impacts of the measure on participatory development/good governance does not justify assigning the score PD/GG 1.

PD/GG 0: The development measure does not target participatory development/good governance.

According to this DAC system a measure can have several principal and significant objectives.

In exceptional cases where a measure has not been assessed with respect to participatory development/good governance, no marker should be assigned.

Definition

A measure is classified as PD/GG 2 or PD/GG 1 if it aims to promote elements of participatory development, democratisation, good governance or respect for human rights.

Criteria for classification as PD/GG 2 or PD/GG 1

(a) The objective is mentioned specifically in the project documentation, and
(b) the measure includes specific steps to promote one or several aspects of PD/GG, which are defined as follows:
   - participatory development, i.e. enabling individuals or groups to participate in the decision-making processes that affect their lives and share in the benefits of activities. This can be achieved by establishing new systems, structures or institutions (for decision-making or communication).
   - democratisation, i.e. strengthening political participation – including the right to opposition – and pluralist structures for political action within a country, and creating a legitimate basis for government action.
   - good governance, i.e. the presence of a) a transparent, efficient and effective public sector
     b) an independent judiciary
     c) the rule of law
     d) effective, responsible and fair administration at all levels of the state.
   - human rights, i.e. measures specially designed to uphold internationally agreed human rights and strengthen their realisation.

All projects assigned the following purpose codes are always awarded the marker PD/GG 2: ‘public sector policy and administrative management’ (CRS code 15110), ‘public finance management’ (CRS code 15111), ‘decentralisation and support to subnational government’ (CRS code 15112), ‘anti-corruption organisations and institutions’ (CRS code 15113), ‘legal and judicial development’ (CRS code 15130), ‘democratic participation and civil society’ (CRS code 15150), ‘elections’ (CRS code 15151), ‘legislatures and political parties’ (CRS code 15152), ‘media and free flow of information’ (CRS code 15153), ‘human rights’ (CRS code 15160), ‘security system management and reform’ (CRS code 15210), ‘civilian peace-building, conflict prevention and resolution’ (CRS code 15220), ‘participation in international peacekeeping

---

4 BMZ Guidelines, January 2011
operations’ (CRS code 15230), ‘reintegration and SALW control’ (CRS code 15240), ‘removal of land mines and explosive remnants of war’ (CRS code 15250) and ‘child soldiers (prevention and demobilisation)’ (CRS code 15261).

This list is not complete. Projects may only be assigned the markers PD/GG 2 or PG/GG 1 if both the above criteria (a) and (b) are met. Projects in the same sector may be assigned different markers, depending on the relative significance of participatory development/good governance as an objective.
3.3 RMNCH marker – Contributions to reproductive, maternal, newborn and child health

Objective

The objective of these guidelines is to facilitate the correct assignment of the policy marker newly introduced by the OECD in 2014 in the field of reproductive health (in particular family planning and contraception), maternal health, child health and newborn health. This ‘RMNCH marker’ was introduced in order to improve the recordkeeping processes for activities in various sectors that contribute to reproductive, maternal, newborn and child health (i.e. not only activities in the health sector but also, for example, through education, nutrition, etc.). The guidelines explain the marker system and the coverage, and give examples of typical activities.

Background

Of all the Millennium Development Goals (MDGs), none is as far from being achieved as MDG 5: Improve maternal health. Yet maternal health is a crucial prerequisite for the health of the mothers’ children, especially newborn babies (MDG 4). It is therefore also essential for the optimum development of their children without them suffering the irreversible harm that can be caused by disease and malnutrition in the first five years of a child’s life. Many of the other MDGs also have close links to reproductive, maternal, newborn and child health (MDGs 1c, 2, 3, 6 and 7c). In 2010, within the framework of the G8, the German Government therefore committed to stepping up its engagement in the improvement of reproductive, maternal, newborn and child health (including the Muskoka commitment). Until recently, the recognition of measures for this field was defined by a limited number of CRS purpose codes in the health sector. However, activities in a wide variety of sectors (education, food, governance, water, etc.) can all contribute to improving reproductive, maternal, newborn and child health. In early 2014, the DAC therefore introduced the ex ante RMNCH marker to increase the accuracy of recordkeeping beyond that of the previous CRS code system.

Definition and criteria for eligibility

In contrast with many other markers, the RMNCH marker is a marker that is derived by quantitative methods. The determining factor for assignment of this marker is the proportion of project funds that can be said to contribute to reproductive, maternal, newborn and child health (RMNCH). These are all activities that make a contribution to the ‘continuum of care’ of reproductive, maternal, newborn and child health. The ‘continuum of care’ approach comprises the integrated delivery of out-patient and in-patient services, including a reference system, and encompasses all measures for mothers and children from the point at which women reach sexual maturity through birth, obstetric follow-up and early childhood care (up to the age of 5).

Activities make a contribution to RMNCH if they:

a) contribute directly to improving the health of mothers and children;

b) serve to improve women’s and children’s access to basic health measures;

c) strengthen health systems with the aim of improving access to and the provision of health services specific to RMNCH;

d) have the objective of training health care professionals with reference to RMNCH.
The marker system

The RMNCH marker can be assigned one of three scores:

**RMNCH 0**: fewer than 15% of the measure’s resources can be allocated to the improvement of reproductive, maternal, newborn and child health.

**RMNCH 1**: between 15% and 85% of the measure’s resources can be allocated to the improvement of reproductive, maternal, newborn and child health.

**RMNCH 2**: more than 85% of the measure’s resources can be allocated to the improvement of reproductive, maternal, newborn and child health.

Coverage

When assigning the marker, bear in mind that projects with a definition that results in one of the following CRS codes

- **13010** (Population policy and administrative management),
- **13020** (Reproductive health care),
- **13030** (Family planning) and
- **13081** (Personnel development for population and reproductive health)
- **13082** (Medical research)

must be assigned at least one RMNCH marker with a score of 1.

Projects with the CRS codes

- **12110** (Health policy and administrative management),
- **12181** (Medical education/training),
- **12191** (Medical services),
- **12220** (Basic health care),
- **12230** (Basic health infrastructure),
- **12240** (Basic nutrition),
- **12250** (Infectious disease control),
- **12261** (Health education),
- **12262** (Malaria control),
- **12263** (Tuberculosis control),
- **12281** (Health personnel development),
- **13040** (STD control including HIV/AIDS)
- **14030** (Basic drinking water and sanitary water supply and waste water management),
- **14031** (Basic drinking water supply),
- **14032** (Basic sanitary water supply and waste water management)

can be scored 0, 1 or 2, depending on their design. **Projects with other CRS codes can be scored no higher than 1.**

Examples of typical activities

Typical project activities within the health sector:

- Family planning and contraception,
- Medical abortion services,
- Antenatal care, neonatal care and obstetric aftercare,
- Emergency obstetric care,
- Qualified obstetric care,
- HIV/AIDS control including combating mother-to-child transmission of sexually transmitted diseases and corresponding awareness-raising activities,
- Prevention and treatment of childhood diseases such as diarrhoeal diseases, whooping cough and polio,
- Provision of therapeutic foods and important vitamins and minerals, for example through vitamin A supplements and the supply of iodised salt.

Typical project activities outside the health sector:
- Improving newborn and child nutrition, for example through breastfeeding advice and nutrition advice,
- Introduction of standards for comprehensive sex education,
- Food security programmes with a specific focus on girls, pregnant women, mothers and their children,
- Strengthening the rights of particularly vulnerable groups (e.g. refugees or migrants) to access RMNCH measures,
- Improving access to clean water and sanitation facilities,
- Improving educational opportunities for women and girls.
3.3 TD marker – trade development

The marker system
The collection of data on specific development-policy objectives/priority areas of development cooperation is based on a standardised marker system laid down by the OECD Development Assistance Committee (DAC). The marker comprises an abbreviation that stands for the relevant development-policy objective, which is then assigned one of three scores (2, 1 or 0) that reflect the level of importance of the objective within the project in question. The markers for trade development are TD 2, TD 1 and TD 0.
The TD marker, however, is used only for a narrow segment of CRS codes that relate to businesses in the productive sectors and relevant business support services and institutions. For all other codes, please enter TD –. This indicates that the trade marker is not relevant.

A measure is classified as trade development-oriented (and is assigned the value significant objective = 1 or principal objective = 2) if it enhances the ability of the partner country to

a) formulate and implement a trade development strategy and create an enabling environment for increasing the volume and added value of exports, diversifying export products and markets, and increasing foreign investment to generate jobs and trade;

or

b) stimulate trade by domestic firms and encourage investment in trade-oriented industries.

This marker is restricted to activities recorded under the following CRS codes:
240xx Banking and financial services
25010 Business support services and institutions
311xx Agriculture
312xx Forestry
313xx Fishing
321xx Industry
322xx Mineral resources and mining
33210 Tourism.

Under the DAC system a measure can have several principle and significant objectives. Activities covered by these codes are to be reviewed without exception with respect to their contribution to trade development (2; 1; 0).

Scores for the trade development marker are defined as follows:

TD 2: Trade development is a principal objective (module objective derived from the programme objective) of the development measure, i.e. is crucial to its implementation. This can be verified by posing the question: 'Would the development measure have been undertaken without this objective?'

TD 1: Trade development is a significant objective, but is not crucial to the implementation of the measure.

TD 0: The measure is not targeted to trade development.

TD – – –: Not relevant; applies to all measures with CRS codes other than those listed above.

Measures covered by codes 25010 (business support services and institutions) and 33210 (tourism) are automatically scored as 2 because they make a major contribution to a country's trade development by definition.

There are further special cases: Measures in the fields of 'trade policy and regulations' (CRS codes 33110-33140, 33181) 'economic infrastructure' (CRS codes 210xx to 230xx) or 'trade-related adjustment in budget support'(CRS code 33150) are trade-related, and under the DAC system are automatically recorded as a contribution to Aid For Trade as defined in a very broad sense. Please do not assign a TD marker to these measures. Please mark them TD – instead.

Background
In December 2007 the DAC decided to introduce the policy marker for trade development. It did so against the background of the global increase in Aid for Trade (Aft) flows, and their monitoring by OECD. For monitoring purposes OECD distinguishes between four categories of Aft, contributions to which are captured through specific CRS codes. The four categories are:

1. Trade policy and regulations

5 BMZ Guidelines dated January 2011 and supplementary explanatory remarks by GIZ.
2. Trade-related infrastructure
3. Building productive capacity
4. Trade-related adjustment.

When monitoring AfT, one special focus of interest is the extent to which measures in category three – ‘building productive capacity’ – aim partially or primarily to promote a country’s trade development, as opposed for instance to increasing production or productivity in a more general way. The marker is designed to reflect qualitatively and quantitatively those components of measures in category three that aim specifically to promote exports and thus foster trade development.

**Examples of development measures designed to promote trade development**

**In the banking and financial services sector:**
- Consultancy measures for financial intermediaries enabling SMEs to make use of credit programmes, export loans and export insurance services.
- Reform of and consultancy services to the banking system or other financial intermediaries, and strengthening of the financial system by improving legal regulatory frameworks to create an enabling environment for trade.
- Consultancy and training measures for financial intermediaries on diversifying and disseminating export finance products, risk analysis and risk management.
- Providing financial intermediaries with long-term loans or shareholdings to promote corporate exports.
- Training of consultants, bankers and industrial associations for trade development.

**In the productive sectors (agriculture, forestry, fishing, industry, mining) and their support services and institutions:**
- Support of public and private institutions (authorities, chambers, associations) and businesses in the analysis and development of trade strategies, export promotion, the creation of an enabling environment for trade, the development and implementation of national sector export strategies, increasing foreign direct investment and improving the climate for investment.
- Promotion of dialogue between policymakers and the business community, and involvement of representatives of the private sector in the process of designing and negotiating trade policy.
- Training in export-oriented areas of industry, and strengthening the export orientation and international competitiveness of SMEs.
- Support for the development and implementation of marketing strategies, market analysis and tapping of international markets, consultancy on international standards (e.g. socio-ecological, hygiene, technical and qualitative standards), sector specific regulations and laws, quality control with a view to accessing international markets.
- Promotion of businesses or agricultural enterprises, and public and private institutions, in order to increase the potential value of exports by raising quality or introducing further processing (or by developing economic processes along the value chain using integrated multi-level approaches), to diversify exports or to improve processing and marketing chains.
- Promotion of sustainable tourism.
3.4 **BTR marker – gearing cooperation to objectives of the Convention on Biological Diversity (Rio marker)**

The BTR marker – one of the Rio markers – indicates whether and to what extent a cooperation measure is targeted to objectives of the Convention on Biological Diversity.

1. **Definition**
   A measure should be classified as biodiversity-related (and scored principal or significant) if it promotes at least one of the three objectives of the Convention:
   - the conservation of biodiversity
   - sustainable use of its components (ecosystems, species or genetic resources), or
   - fair and equitable sharing of the benefits of the utilisation of genetic resources.

2. **Criteria for eligibility**
   The measure contributes to:
   a) the protection or sustainable management of ecosystems, species or genetic resources through in-situ or ex-situ conservation (i.e. conservation within or outside of the original habitat), or the mitigation of existing environmental damage; or
   b) the integration of biodiversity concerns with recipient countries’ development objectives and economic decision-making processes through institution building, capacity development, strengthening of the regulatory and policy framework, or research; or
   c) developing countries' efforts to meet their obligations under the Convention.

   The activity should be scored ‘principle objective’ if it directly and explicitly aims to achieve one or more of the above three criteria.

3. **Scoring**
   The Rio marker for biodiversity can be assigned one of three possible scores:
   - **BTR 0**: The measure has no positive impacts whatsoever on biological diversity (not targeted).
   - **BTR 1**: The measure is targeted significantly (though not predominantly) to objectives of the Convention on Biological Diversity (significant objective).
   - **BTR 2**: The measure is targeted primarily or entirely to the objectives of the Convention on Biological Diversity (principal objective).

4. **Examples of typical activities**
   Typical measures take place in the sectors of: nature conservation for development, water and sanitation, agriculture, forestry, fishing, tourism; integration of biological diversity concerns into sectoral policy, planning and programmes, e.g.:
   - Establishment of protected areas and biodiversity-oriented zoning; development of legislation and regulations to protect threatened species; biodiversity inventories and assessments
   - Water resources protection and rehabilitation; integrated watershed, catchment and river basin protection and management
   - Sustainable agricultural and farming practices including substitution of damaging uses and extractions by out-of-area plantations, alternative cultivation or development of equivalent substances; integrated pest management and ecofarming strategies; soil conservation
   - Protection of endangered or vulnerable species and their habitats (in-situ protection), e.g. by promoting traditional animal husbandry or formerly cultivated/colllected plants or ex-situ conservation (e.g. seed banks, zoologic gardens)
   - Combating deforestation and land degradation while maintaining or enhancing biodiversity in the affected regions
   - Sustainable forest management and forest protection; certification and control of illegal logging and trade in illegally harvested timber and other illegally harvested forest products
   - Promotion of sustainable marine, coastal and inland fishing
   - Sustainable use of sensitive environmental areas for tourism.

   Typical non-sector-specific activities are: environmental policy and administrative management, biosphere and biodiversity protection, environmental education/training, environmental research, e.g.

---

6 BMZ Guidelines dated February 2011.
Preparation of sectoral, national policies, strategies and plans for the conservation and sustainable management of biological diversity, and institutional development
Integration of biodiversity concerns into cross-cutting national plans, strategies and programmes, e.g. national development plans, poverty reduction strategies, land-use plans; development of legislation and regulations to protect endangered species; development of incentives, impact assessments, and policy and legislation on equitable access to and participation in the benefits of genetic resources
Implementation and ongoing development of regional and international, and sectoral and cross-sectoral, policies and initiatives, especially CBD, UNFCCC, UNCCD, UNFF, ITTO, ITPGRFA, CITES and RAMSAR
Capacity building in taxonomy, biodiversity assessment and information management of biodiversity data; education, training and awareness-raising on biodiversity
Research on ecological, socio-economic and policy issues related to biodiversity, including documentation of, research on and application of the knowledge of indigenous people.
Supporting the development and use of approaches, methods and tools for assessment, valuation and sustaining of ecosystem services

N.B. by definition, ‘biodiversity’ (CRS code 41030) is rated as a ‘principal objective’ (mandatory classification 2).
1. **Definition**

A measure should be classified as targeting (principally or significantly) the objectives of the Convention to Combat Desertification and mitigating the effects of drought if it pursues the following objectives in arid, semi-arid and dry sub-humid areas:

- Prevention of land degradation
- Reduction of land degradation
- Rehabilitation or reclamation of degraded or desertified land.

Combuting desertification means practising sustainable land management in dry areas.

2. **Criteria for eligibility**

The measure contributes to

- Protecting or enhancing dryland ecosystems or remediying existing environmental damage; or
- Integration of desertification concerns with recipient countries’ development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or
- Developing countries’ efforts to meet their obligations under the Convention.

The measure should be scored ‘principal objective’ if it directly and explicitly aims to meet one or more of the above criteria, or realise national, sub-regional or regional action programmes.

3. **Scoring**

The Rio policy marker for desertification can be assigned three possible scores:

**DES 0**: The measure has no positive effects at all in terms of combating desertification in dry zones or mitigating the effects of drought.

**DES 1**: The measure makes a significant contribution to the objectives of the Convention, i.e. combating desertification in dry zones and/or mitigating the impacts of drought (though this is not its principal objective).

**DES 2**: The measure is targeted primarily or entirely to the objectives of the Convention (principal objective).

4. **Examples of typical activities**

Typical sector-specific measures take place in the water, agriculture and forestry sectors:

Integration of action to combat desertification and land degradation into sectoral policy, planning and programmes (e.g. agricultural and rural development policies, plans and programmes);
Preparation of strategies and action programmes to combat desertification and mitigate the effects of drought;
Rehabilitation of land, vegetation cover, forests and water resources, conservation and sustainable management of land and water resources;
Sustainable irrigation for both crops and livestock to reduce pressure on threatened land; alternative livelihood projects;
Development and transfer of environmentally sound traditional and local technologies, knowledge, know-how and practices to combat desertification, e.g. methods of conserving water (e.g. integrated watershed management), wood (for fuel and construction) and soil in dry areas.

Typical non-sector-specific measures take place in the fields of environmental policy and administrative management, environmental education/training, environmental research, e.g. Integration of desertification issues into cross-cutting national plans, strategies and programmes, e.g. national development plans, poverty reduction strategies, land-use plans;
Preparation and implementation of strategies to mitigate greenhouse gas emissions and adapt to climate change in dry areas;
Establishment of drought early warning systems; strengthening of drought preparedness and management;

---

7 BMZ Guidelines dated December 2008.
3.5 **DES marker – gearing cooperation to objectives of the Convention to Combat Desertification (Rio marker)**

Capacity building in desertification monitoring and assessment; observation and assessment of UNCCD implementation, including monitoring and evaluation of impact indicators; Measures to promote the participation of affected populations in planning and implementing sustainable resource management or improving security of land tenure; Support for population/migration policies to reduce population pressure on land; Education, training and public awareness programmes related to desertification and land degradation; Research on the causes and effects of desertification and land degradation.
3.6 **KLA marker – adaptation to climate change (Rio marker)**

1. **Background**
   Climate change will fundamentally change the conditions for human development in many regions of the world. Developing countries will be especially hard hit by higher temperatures, changed patterns of precipitation and evaporation, and a greater frequency and intensity of extreme weather events such as droughts, flooding and storms.

Development policy helps build capacities for adaptation to climate change in developing countries.

Four complementary areas of action for adaptation can be distinguished:

- Measures to **increase human development** that directly benefit adaptation;
- Measures to **build capacities** that are fundamentally important for the adaptation process;
- Measures to **manage the explicit risks** that are associated with climate change and extreme weather events;
- Measures that directly address the **impacts of climate change**.

2. **Definition and criteria for eligibility**
   A measure should be classified as **targeting adaptation** (principal or significant objective) using the Rio marker on ‘climate change mitigation’ if it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience.

   This encompasses a range of activities from information and knowledge generation, to capacity development, and the planning and implementation of climate change adaptation actions, including efforts to meet relevant obligations arising from the Framework Convention on Climate Change.

   The objective of 'climate change adaptation' must be explicitly indicated in the measure documentation, and the measure must contain specific actions targeting the above definition.

3. **The marker system**
   The standardised marker system laid down by the OECD-DAC comprises abbreviations that stand for the relevant development-policy objectives (in this case the German abbreviation KLA, which stands for climate change adaptation), which is then assigned one of three scores (2, 1 or 0) that reflect the level of importance of the objective in the project concerned. The three scores for the marker ‘climate change adaptation’ are defined as follows:

   **KLA 2**: The measure is designed primarily or entirely to promote climate change adaptation (principal objective).
   **KLA 1**: Climate change adaptation is a significant (though not principal) aim of the measure (significant objective).
   **KLA 0**: The measure does not make a significant contribution toward climate change adaptation (not targeted).

   The marker is assigned at different points in time for different types of measure:

   **For FC and TC in the strict sense** the marker is assigned at the level of the individual development cooperation measures (= modules in the joint programme proposals) during framework planning, when statistical data on the measures are first recorded and encoded by the implementing organisations.
   **For TC in the broad sense** the marker is assigned in the annual reports of the individual organisations to BMZ.
   **For measures of non-governmental TC** (churches, political foundations, NGOs etc.) the marker is assigned when the measure is approved.

---

8 BMZ Guidelines dated 10 February 2011.
9 Except where the organisations of TC in the broad sense are also involved in the joint programme proposal.
The marker is always assigned and scored (0, 1, 2) on the basis of the financial focus of the measure.

For specific large-scale fund measures, the BMZ division responsible for the project, BMZ Division 414 and the implementing organisation may agree on exceptions to how markers are assigned.

4. Scores/rule of addition

The assignment of the markers is especially important for monitoring and setting the target values

If a measure is assigned the marker KLA 2, then 100% of the financial volume of the measure is included in the calculation for the target values of the same name, i.e. ‘adaptation to climate change’. If a project is assigned the marker KLA 1, only 50% of the financial volume of the measure is included. If the score awarded is '0', the 0% of the measure's financial volume is counted.

The system for scoring the two climate markers 'adaptation to climate change' (KLA) and 'reduction of greenhouse gases' (KLM) for a measure differs from the scoring system used hitherto in German development cooperation.

The combined scores for the climate markers KLA and KLM for a measure may not exceed the value of 2. The following combinations are therefore possible:

| Combination 1 | KLA = 0 | KLM = 0 |
| Combination 2 | KLA = 0 | KLM = 1 |
| Combination 3 | KLA = 1 | KLM = 0 |
| Combination 4 | KLA = 1 | KLM = 1 |
| Combination 5 | KLA = 0 | KLM = 2 |
| Combination 6 | KLA = 2 | KLM = 0 |

The reason for this special logic of the climate markers is that the two need to be seen as 'two sides of the same coin', or as sub-markers that add up to form a single complete climate marker. This rule of addition permits plausible documentation of German funding for climate-related activities (mitigation and adaptation) without any activities being counted twice. Without the rule of addition, the financial volume of a measure might be counted as 150% or 200% of its true value as funding for climate management (mitigation and adaptation) by German bilateral development cooperation.

5. Coverage

The table below specifies selected examples of relevant DAC codes and CRS purpose codes, and provides coverage notes – analogous to the OECD-DAC definitions:

| 5.1 General codes: |  |
| General environmental protection (DAC 410), including for example: | Integration of climate change adaptation into national and international policies, plans and programmes; |
| Environmental policy and administrative management (CRS 41010) | |
| Environmental research (CRS 41082) | Improvement of regulations and laws to create incentives for adaptation; adaptation-related research including meteorological and hydrological monitoring and forecasting, impact assessment and hazard analyses, early warning systems etc.; |
| Environmental education/training (CRS 41081) | Education, training and awareness raising on the causes and impacts of climate change, and the role of adaptation to climate change. |
### 5.2 Sector-specific codes:

<table>
<thead>
<tr>
<th>Sector/Code</th>
<th>Example Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health (DAC 120); Health, general (DAC 121); Basic health (DAC 122)</td>
<td>Implementation of malaria control actions in regions under increased threat of disease as a result of climate change;</td>
</tr>
<tr>
<td>Water and sanitation (CRS 140)</td>
<td>Promotion of water-saving in regions more prone to water scarcity due to climate change;</td>
</tr>
<tr>
<td>Water recycling (e.g. low quality water for irrigation or industry), water resource management, development of water storage facilities of all kinds (below and above ground), harnessing of energy contained in wastewater and solid waste;</td>
<td></td>
</tr>
<tr>
<td>Agriculture (DAC 311)</td>
<td>Promotion of heat- and drought-resistant crops and water-saving irrigation methods to withstand climate change;</td>
</tr>
<tr>
<td>Forestry (DAC 312)</td>
<td>Promotion of a diverse blend of forestry practices and species to create a buffer against the imponderables of climate change;</td>
</tr>
<tr>
<td>Fishing (DAC 313)</td>
<td>Promotion of modified fishing practices to adapt to changes in stocks and fished species. Introduction of flexibility in the equipment used, the species fished, the fishing grounds to be managed and catches;</td>
</tr>
<tr>
<td>Flood prevention/control (CRS 41050 – under 'General environmental protection')</td>
<td>Implementation of flood prevention and control measures, e.g. watershed management, reforestation or rehabilitation of wetlands;</td>
</tr>
<tr>
<td>Other multisectoral measures (DAC 430); including for instance rural development (CRS 43040)</td>
<td>Hazard/risk analyses, development/execution of adaptation measures with local stakeholders, climate proofing of public investments/programmes, development of financing mechanisms, climate action plans;</td>
</tr>
<tr>
<td>Developmental food aid/Food security (DAC 520)</td>
<td>Advice on the preparation of guidelines for national adaptation strategies and the design of agricultural policy (new plant species, seed banks, management methods);</td>
</tr>
<tr>
<td>Disaster prevention and preparedness (DAC 740)</td>
<td>Design of disaster prevention and preparedness measures including insurance models to manage potential climate disasters;</td>
</tr>
<tr>
<td></td>
<td>Implementation of actions against flood risks, e.g. creation or improvement of early warning systems.</td>
</tr>
</tbody>
</table>

For further information on the climate markers (KLA and KLM) please refer to the document "Praktische Hinweise zu den Klimaschutzkennungen" [Practical advice on the climate markers, German only].
3.7 **KLM marker – reduction of greenhouse gases (Rio marker)**

1. **Background**

There is a worldwide consensus that global warming must be limited to two degrees centigrade if we are to stop species loss, rising sea levels, droughts, flooding, and the constraints on human development that these will entail.

The main factor responsible for global warming and the resulting climate change is greenhouse gas (GHG) emissions. The reduction of GHGs is therefore the goal of all measures to mitigate climate change.

Bilateral development cooperation can only be sustainable if it takes account of climate change.

BMZ’s activities for greenhouse gas reduction focus on supporting partner countries in integrating climate change mitigation into their national development strategies. The preferred approaches:

- make large-scale use of low-cost options for greenhouse gas reduction
- make an effective contribution to building a climate-friendly economy, and
- involve climate change mitigation measures that at the same time reduce other environmental burdens and help reduce poverty.

2. **Definition and criteria for eligibility**

Pursuant to a resolution of the OECD-DAC, a measure should be classified with the Rio marker 'reduction of greenhouse gases' if it contributes to the objective of reducing or limiting greenhouse gas emissions, or enhancing GHG sequestration in soil or plants.

A measure should be scored 'principal objective' if it directly and explicitly aims to meet one or more of the following four criteria:

The measure contributes to

- the mitigation of climate change by limiting anthropogenic emissions of GHGs\(^\text{11}\), or
- the protection and/or enhancement of GHG sinks and reservoirs that remove GHGs from the atmosphere; or
- integration of the theme 'reduction of GHGs' into recipient countries' development objectives through institution building, capacity development, strengthening the regulatory policy framework, or research; or
- developing countries' efforts to meet their obligations to reduce GHGs arising from the Framework Convention on Climate Change.

3. **The marker system**

The standardised marker system laid down by the OECD-DAC comprises abbreviations that stand for the relevant development-policy objectives (in this case KLM, the German abbreviation that stands for reduction of greenhouse gases), which is then assigned one of three scores (2, 1 or 0) that reflect the level of importance of the objective in the project concerned. The three scores for the marker 'reduction of greenhouse gases' are defined as follows:

**KLM 2**: The measure is designed primarily or entirely to mitigate climate change (principal objective).

**KLM 1**: Climate change mitigation is a significant (though not principal) aim of the measure (significant objective).

**KLM 0**: The measure does not make a significant contribution to reducing/limiting GHG emissions or to enhancing GHG sequestration (not targeted).

The marker is assigned at different points in time for different types of measure:

**For FC and TC in the strict sense** the marker is assigned at the level of the individual development cooperation measures (= modules in the joint programme proposals) during

\(^{10}\) BMZ Guidelines dated 10 February 2011.

\(^{11}\) Including gases regulated by the Montreal Protocol.
3.7  KLM marker – reduction of greenhouse gases (Rio marker)

framework planning, when statistical data on the measures are first recorded and encoded by the implementing organisations.

For TC in the broad sense the marker is assigned in the annual reports of the individual organisations to BMZ\textsuperscript{12}.

For measures of non-governmental TC (churches, political foundations, NGOs etc.) the marker is assigned when the measure is approved.

The marker is always assigned and scored (0, 1, 2) on the basis of the financial focus of the measure.

For specific large-scale fund measures, the BMZ division responsible for the project, BMZ Division 414 and the implementing organisation may agree on exceptions to how markers are assigned.

4. Scores/rule of addition

The assignment of the markers is especially important for monitoring and setting the sectoral target values. If a measure is assigned the marker KLM 2, then 100% of the financial volume of the measure is included in the calculation for the target value of the same name, i.e. ‘reduction of greenhouse gases’. If a project is assigned the marker KLM 1, only 50% of the financial volume of the measure is included. If the score awarded is ‘0’, then 0% of the measure's financial volume is counted.

The system for scoring the two climate markers ‘adaptation to climate change’ (KLA) and ‘reduction of greenhouse gases’ (KLM) for a measure differs from the scoring system used previously in German development cooperation.

The combined scores for the climate markers KLA and KLM for a measure may not exceed the value of 2. The following combinations are therefore possible:

<table>
<thead>
<tr>
<th>Combination</th>
<th>KLA</th>
<th>KLM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combination 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Combination 2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Combination 3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Combination 4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Combination 5</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Combination 6</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

The reason for this special treatment of the climate markers is that the two need to be seen as ‘two sides of the same coin’, or as sub-markers that add up to form a single complete climate marker. This rule of addition permits plausible documentation of German funding for climate-related activities (mitigation and adaptation) without any activities being counted twice. Without the rule of addition, the financial volume of a measure might be counted as 150% or 200% of its true value as funding for climate management (mitigation and adaptation) by German bilateral development cooperation.

5. Coverage

The table below specifies selected examples of relevant DAC codes and CRS purpose codes, and provides coverage notes – analogous to the OECD-DAC definitions:

\textsuperscript{12} Except where the organisations of TC in the broad sense are also involved in the joint programme proposal.
### 5.1 General codes:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental policy and administrative management (CRS 41010)</td>
<td>Preparation of national GHG inventories; policy measures for GHG reduction or limitation; economic analyses and instruments, including national plans for climate change mitigation; development of legislation to reduce or limit GHGs; climate technology standards, analyses and assessments; institutional capacity development.</td>
</tr>
<tr>
<td>Environmental research (CRS 41082)</td>
<td>Oceanographic and atmospheric research and surveillance.</td>
</tr>
<tr>
<td>Environmental education/training (CRS 41081)</td>
<td>Education, training and public awareness raising concerning GHG reduction and limitation.</td>
</tr>
<tr>
<td>Biosphere protection, biodiversity (DAC 410)</td>
<td>Protection and promotion of sinks and reservoirs through the sustainable management and conservation of oceans and other marine and coastal ecosystems, wetlands, wildlands and other ecosystems.</td>
</tr>
</tbody>
</table>

### 5.2 Sector-specific codes:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy generation and supply (DAC 230)</td>
<td>Reduction or stabilisation of GHG emissions by using new and renewable forms of energy, measures to improve the energy efficiency of existing generators, machinery and equipment, or through demand management.</td>
</tr>
<tr>
<td>Transport and storage (DAC 210)</td>
<td>Development, transfer and promotion of technologies and expertise, and capacity development, for the control, reduction or prevention of anthropogenic GHG emissions.</td>
</tr>
<tr>
<td>Industry (DAC 321)</td>
<td>Reduction of methane emissions through solid waste management or wastewater treatment.</td>
</tr>
<tr>
<td>Agriculture (DAC 311)</td>
<td>Protection and promotion of CO2 sinks and reservoirs through sustainable forest management, reforestation and the planting of new trees, rehabilitation of areas affected by drought and desertification.</td>
</tr>
<tr>
<td>Water and sanitation (DAC 140)</td>
<td></td>
</tr>
<tr>
<td>Forestry (DAC 312)</td>
<td></td>
</tr>
</tbody>
</table>

For further information on the climate markers (KLA and KLM) please refer to the document 'Praktische Hinweise zu den Klimaschutzkennungen' [Practical advice on the climate markers, German only].
3.8 UR marker – environmental protection and resource conservation

The marker system
The collection of data on specific development-policy objectives/priority areas of development cooperation is based on a standardised marker system laid down by the OECD Development Assistance Committee (DAC). The marker comprises an abbreviation that stands for the relevant development-policy objective, which is then assigned one of three scores (2, 1 or 0) that reflect the level of importance of the objective within the project in question. The markers for environmental protection and resource conservation are UR 2, UR 1 and UR 0.

UR 2: Environmental protection and resource conservation is a principal objective (module objective derived from the programme objective) of the development measure, i.e. is the crucial reason for its implementation. This can be verified by asking the question: ‘Would the measure have been undertaken without this development objective?’

UR 1: Environmental protection and resource conservation is a significant objective, but is not in itself crucial to the implementation of the measure. The avoidance of negative impacts of the measure on environmental protection and resource conservation does not justify assigning the score UR 1.

UR 0: The development measure does not target environmental protection and resource conservation.

According to this DAC system a measure can have several principal and significant objectives.

In exceptional cases where a measure has not been assessed with respect to environmental protection and resource conservation, no marker should be assigned.

Definition
A measure is classified as UR 2 or UR 1 if

a) it aims to bring about an improvement or a perceived improvement in the (physical or biological) environment of the recipient country, the project region or the target group, or

b) it includes specific activities involving human and institutional capacity development that integrate environmental concerns into the pursuit of development objectives.

Criteria for classification as UR 2 or UR 1

a) The objective is mentioned specifically in the project documentation, and

b) the measure includes specific steps

- to protect or improve the environment or to rectify existing environmental damage or

- to formulate or effectively implement environmental policy and legislation, and to

strengthen the environmental administration or other organisations responsible for environmental protection.

Examples of typical development measures

- **Social infrastructure and services**: water resource protection; water resource policy and water management taking into account environmental policy and socio-economic constraints, and sanitation and solid waste management methods that improve the environment.

- **Economic infrastructure and services**: infrastructure projects that include comprehensive and integrated environmental protection and management components; preferential use of renewable energy sources and energy saving.

- **Production sectors**: sustainable management of agricultural soil and water resources; introduction of sustainable forest management; control of soil degradation and deforestation; sustainable marine resource management; introduction and promotion of

---

13 BMZ Guidelines dated January 2006
14 *N.B.: Bilateral official development cooperation measures are also classified according to the outcome of the environmental impact assessment (EIA): action required no/yes.
environmentally friendly and more efficient technologies and methods in production processes; prevention/reduction of soil, atmospheric and water contamination (e.g. using filters); improved energy efficiency in industry; introduction of ecotourism in endangered zones.

Sustainable natural resource management presupposes two elements:
- management methods that have been planned and selected on the basis of an interdisciplinary and participatory assessment of the ecological, social and economic impacts of alternative management options, and
- provision for resolving possible conflicts or differences of opinion as to whether the proposed alternative management methods are effective and can be accepted.

This list is not complete. Projects may only be assigned the relevant markers if the above criteria (a) and (b) are met. Projects in the same sector may be assigned different markers, depending on the relative significance of environmental protection and resource conservation as an objective.

All projects assigned the purpose code ‘general environmental protection’ (CRS codes 41010 to 41082) are always awarded the marker UR 2.
3.9 **PBA marker – programme-based approaches**

**Preliminary remarks**
The following description is based on the 'Leitfaden zur Beurteilung entwicklungspolitischer Ziele - Programmbasierte Ansätze (PBA) - PBA Kennung' [Guidelines for assessing development-policy objectives – programme-based approaches (PBAs) – PBA marker], and Annex 1 thereto – 'Abgrenzung der Modalitäten' [Distinguishing between the modalities] – which BMZ brought into force in December 2008.

The text and the annex were discussed by BMZ, KfW and GIZ in a process of debate within the PJF/PBA theme team. It was agreed with BMZ that appropriate scope for discretion would be allowed when assessing the status of a measure. This was designed to enable those concerned to provide an accurate assessment of the reality in partner countries. Against this background, inclusion of a substantiated explanation of the PBA marker in the programme proposal is of particular importance.

1. **Background**
In the international debate on implementing the Paris Declaration and the Accra Agenda for Action (the aid effectiveness agenda), programme-based approaches (PBAs) have become crucially important. PBAs are an innovative modality for implementing new principles and procedures. They encompass both budget support and basket funding, and projects that form part of an overarching, coordinated partner-owned programme.

PBAs are defined by the **OECD/DAC** as a form of development cooperation based on the principles of **coordinated support for a locally owned development programme**. The term 'programme' here can mean a national development strategy (macro programme), a sector programme or a thematic programme of a **partner country** (e.g. governance or decentralisation programme), or a programme of a specific regional organisation or a civil society **partner organisation**. PBAs must meet the following **four criteria**:

**PBA criteria**
1. Leadership lies with the host country or organisation.
2. A single comprehensive programme and budget framework is used.
3. There is a formalised process for donor coordination and harmonisation of procedures for at least two of the following systems (i) reporting, (ii) budgeting (iii) financial management and (iv) procurement.
4. The approach uses national systems for at least two of the following (i) programme design, (ii) implementation, (iii) financial management and (iv) monitoring and evaluation.

2. **Purpose**
As it continues to implement the Paris and Accra agenda through its development cooperation, Germany intends to **increase its participation in programme-based approaches (PBAs)**. Under the Paris Declaration and the Accra Agenda for Action, Germany has entered into an international commitment to deliver **66% of its bilateral aid** through programme-based approaches **by 2010**.

Introducing the PBA marker will enable us in the future to record systematically the number and financial volume of PBA-related measures (from the framework planning process 2010 onward). This will allow us to compare actual values with our own targets, and to present Germany's PBA data both in the national context (inter-ministerial steering committee, Committee on Economic Cooperation and Development, Budget Committee) and the international context (implementation of the Paris Declaration and the Accra Agenda for Action).

Programme-based approaches can for instance be supported through budget support or basket funding. In German development cooperation, these forms of financing are termed **programme-**

---

15 BMZ Guidelines dated November 2008, revised in January 2011 and supplemented with explanatory remarks by GIZ.
oriented joint financing (PJF)\(^{17}\). They are, however, only one – albeit an important – component of programme-based approaches (PBAs). In this context the term 'joint' refers to the transfer of control over the donor funds to a joint structure or institution. The donor contributions are transferred into a basket (baskets funding) or the partner-country budget (general and sector budget support) (see also BMZ Strategy Paper 181: 'Budget Support in the Framework of Programme-Oriented Joint Financing'). Hitherto, PJF measures have been assigned the marker PJF 2.

In addition to PJF measures, 'traditional' measures (formerly PJF 1, now PBA 1) may also fulfill PBA criteria, provided that they are coordinated and harmonised within an overarching partner-owned programme (please also refer to the section below on distinguishing between the modalities).

The newly introduced PBA marker replaces the previous PJF marker. It does, however, also allow us to continue monitoring programme-oriented joint financing (PJF) measures separately for in-house purposes, as well as for submission to the Budget Committee of the German Bundestag for approval, and for reporting to it.\(^{18}\) Given its importance (approval of PJF measures by the Budget Committee, inclusion in the FC/TC guidelines, use of the term in parliamentary business), the term 'PJF' cannot be abandoned completely.

3. Scoring

The relevance of development measures to PBAs is categorised using the following key (see graphic also). The scoring of measures from PBA 3 to PBA 0 does not reveal anything about the value of the measure:

- **PBA 3**: general and sector budget support
- **PBA 2**: basket funding (including multi-donor trust funds and TA pooling)
- **PBA 1**: projects integrated into PBAs
- **PBA 0**: no relevance to PBA

A measure is always classified on the basis of its financial focus. The score always relates to the total amount of the development measure, i.e. it is not possible to draw distinctions between different levels of relevance within a measure e.g. by scoring both PBA 2 and PBA 1.

**Details on how to distinguish between the various modalities** (budget support, basket funding and integrated projects), including their key characteristics and distinguishing features, are shown below.

---

\(^{17}\) See also the BMZ strategy paper on PJF published in December 2009, which can be found in the DMS at: [https://dms.gtz.de/livelink-ger/livelink.exe?func=ll&objid=52294184&objAction=browse](https://dms.gtz.de/livelink-ger/livelink.exe?func=ll&objid=52294184&objAction=browse)

\(^{18}\) Resolutions of the Budget Committee of 15 November 2007 (Committee papers 16(8)4111) and 23 April 2008 (Committee papers 16(8)4350 new).
4. Applying the PBA criteria in the German context

Applying the four OECD-DAC criteria to German development cooperation involves considerable challenges. For details on how the above four criteria are to be interpreted in specific cases, and what minimum standards a measure must meet in order to satisfy them, please refer to the section below on distinguishing between the modalities.

Development measures that make an important contribution toward the future establishment of a PBA should also be classified as PBA 0 if they do not (yet) meet the four PBA criteria. However, this should not detract from the importance of these measures. The aim should then be to create the conditions for a PBA, and subsequently convert the measure into a PBA in a future phase. Realistically, this transition is likely to take some time, not least due to the diverse conditions in place in partner countries. During this period the key foundations must first of all be laid.

In the future too there will be good reasons to implement measures that do not meet the PBA criteria (pilot projects, specific enquiries from partner countries, discretionary measures, sector projects that advise BMZ etc.). In the international context, Germany has committed to the target of delivering 66% of its bilateral aid in the form of PBAs.

5. Explaining the choice of marker and obligation to co-sign

When a measure is classified as PBA 0 to PBA 3, the reasons for this choice must be explained briefly in the programme proposal.

PBA-related development measures (PBA 1 to PBA 3) must be co-signed by the BMZ policy issues division 220 (form F2 for the decision on eligibility for promotion and award of the contract).
6. Distinguishing between the modalities

<table>
<thead>
<tr>
<th>PBA 3</th>
<th>General budget support</th>
<th>Old marker PGF 2</th>
</tr>
</thead>
</table>

In budget support donors pay their contributions directly into the partner country's budget. The partner country then manages the funds in accordance with its national budget regulations. Typical elements of budget support programmes include:

- A body for political dialogue and coordination (budget support donor group etc.)
- A joint framework agreement (memorandum of understanding, framework memorandum etc.)
- Joint policy formulation (policy matrix, performance assessment framework, targets etc.)
- Joint definition of disbursement modalities and disbursement conditions (basic tranche/performance tranche, triggers, conditionalities)
- Joint monitoring of results (joint reviews, PEFA, external reviews, joint evaluations etc.).

General budget support is designed to finance macro programmes for implementing country poverty reduction strategies (PRS), and to support cross-sectoral economic, regulatory and institutional reforms. Furthermore, in the course of these programmes selected sector-specific issues are also frequently incorporated into the political dialogue, and steps are taken to ensure that sufficient support for capacity development is provided. Conditionalities are used as an instrument of political dialogue and donor coordination, and as triggers for disbursement. BMZ participates in two types of macro programme:

1. Poverty reduction support credits (PRSCs): (co-) financing of World Bank lending programmes running for several years.
2. Multi-donor budget support (MDBS) or joint budget support (JBS): budget support programmes in which a large number of different donors (bilateral, multilateral and EU Commission) agree on joint modalities (see above) with a specific partner country.

Notes on general budget support:

Given the German entry criteria for budget support pursuant to the BMZ strategy paper for budget support, in cases where general budget support has been granted it may be assumed that the four OECD-DAC PBA criteria have been met. It is not necessary to analyse measures in detail to establish that they meet the PBA criteria.

General budget support is always recorded under CRS purpose code (51010) 'General budget support'.

FC backup measures are assigned the same marker as the main measure.

Since fiscal 2008/9, PJF measures assigned the marker PBA 3 must first be approved by the Budget Committee of the German Bundestag before commitment is made at government negotiations.

<table>
<thead>
<tr>
<th>PBA 3</th>
<th>Sector budget support</th>
<th>Old marker PGF 2</th>
</tr>
</thead>
</table>

In sector budget support too, donors pay their contributions directly into the partner country's budget. The partner country then manages the funds in accordance with its national budget regulations. In this respect sector budget support does not differ from general budget support. However, sector budget support is different in that the political dialogue is focused on the development of a specific sector. In other words, a difference exists at the level of objectives.

Whereas general budget support aims to underpin national poverty reduction programmes, sector budget support aims to finance sector programmes, sector strategies and sector policies. In principle, sector budget support can be used in any priority area of development cooperation. It often plays a very important role in the education, health, transport, decentralisation and agriculture sectors.

---

19 See the guidelines on the role of TC in PJF published by the working group on PBAs in November 2008, which can be accessed in the DMS: https://dms.gtz.de/livelink-ger/livelink.exe/overview/51651254.
20 PRSCs are a development policy lending instrument of the World Bank. They are used as a general budget support instrument to strengthen the implementation of PRSPs.
21 Decisions taken by the Budget Committee on 15 November 2007 (Committee printed paper 16(8)41111) and on 23 April 2008 (Committee printed paper 16(8)4350 new).
When sector budget support is provided, no measures are specified. As with general budget support, the funds provided are not earmarked for specific purposes and no specific proof of the use of funds is required.

Notes on sector budget support:
Given the German entry criteria for budget support pursuant to the BMZ strategy paper for budget support, in cases where sector budget support has been granted it may also be assumed that the four OECD-DAC PBA criteria have been met. It is not necessary to analyse measures in detail to establish that they meet the PBA criteria.

Sector budget support is recorded under the relevant CRS purpose codes, and not under (51010) ‘General budget support’. If no more specific code is appropriate, then the support should be recorded under ‘Multisector aid’ (43010).

FC backup measures are assigned the same marker as the main measure.

Since fiscal 2008, PJF measures assigned the marker PBA 3 must first be approved by the Budget Committee of the German Bundestag before commitment is made at government negotiations.

<table>
<thead>
<tr>
<th>PBA 2</th>
<th>Basket funding including multi-donor trust funds and TA pooling</th>
<th>Old marker PGF 2</th>
</tr>
</thead>
</table>

As well as sector budget support, sector programmes are also financed to a large extent through basket funding. With this instrument, donors jointly finance a plan of expenditure for implementation of a specific package of measures based on a sector strategy\(^{22}\). The funds provided are earmarked for the agreed measures. Decisions on the use of pooled resources are no longer taken by a single actor, but jointly. The basket may be managed by the partner or by a mandated donor. The funds are paid into a joint separate account.

The funds are usually reported in the national budget although the financial management of the donor contributions is not fully subject to the standard budgeting procedures of the partner country. Proof of the use of funds can be provided for the agreed package of measures, but it is not possible to attribute the measures to the individual payments made by donors.

Notes on basket funding:
Due to the broad diversity of basket funding arrangements it is essential to analyse measures in detail to establish that they meet the OECD-DAC PBA criteria (see detailed description under PBA 1).

Since fiscal 2008, PJF measures assigned the marker PBA 2 must first be approved by the Budget Committee of the German Bundestag before commitment is made at government negotiations.

**Special case: multi-donor trust funds (MDTFs)**
One specific variant of basket funding is the multi-donor trust fund. This instrument focuses either on a country or on a national programme or a specific sector in a partner country. Donor resources are paid directly into the fund with the involvement of the implementing organisations. The monies are then dispersed from the fund for the designated purpose using standardised procedures. The fund is usually managed by a mandated donor such as the World Bank. MDTFs are usually assigned the marker PBA 2.

**Special case: basket funding at the regional level**
Basket funding at the regional level (e.g. to support regional organisations) usually does not meet the criteria for PJF measures (no alignment with national partners, possibly an absence of bilateral political dialogue). These arrangements should therefore not normally be assigned the marker PBA 2. However, they may be designed along the lines of programme-based approaches. If they meet the four PBA criteria they should therefore be classified as PBA 1.

**Special case: TA pooling as part of technical cooperation (TC)**\(^{23}\)
Resources can also be pooled in baskets and jointly managed through technical cooperation. Such arrangements are termed ‘TA pooling’. Both financial and (personnel and/or material) in-kind

---

\(^{22}\) In some cases, basket funding can also operate below the sector level (thematic approach).

\(^{23}\) See also the document on GTZ's experiences with TA pooling published in January 2009, which can be accessed in the DMS at: [https://dms.gtz.de/livelink-ger/livelink.exe/overview/52079410](https://dms.gtz.de/livelink-ger/livelink.exe/overview/52079410)
contributions can be pooled. If the German contribution to a TA pool involves the main focus of a measure, or a financial contribution of > EUR 1 million (per phase), the TC measure should be classified as PBA 2.

<table>
<thead>
<tr>
<th>PBA 1</th>
<th>Projects integrated into PBAs</th>
<th>Old marker PGF 1</th>
</tr>
</thead>
</table>

PBAs are defined by the OECD/DAC as a form of development cooperation based on the principles of coordinated support for a locally owned development programme. The term ‘programme’ here can mean a national development strategy (macro programme), a sector programme or a thematic programme of a partner country (e.g. governance or decentralisation programme), or a programme of a specific regional organisation or a civil society partner organisation.

Projects integrated into PBAs comprise financially separate inputs provided by various donors, which are harmonised and integrated into an overarching and coordinated partner-owned programme. The measures may be of the following kinds, but they must be analysed in detail to determine whether they meet the OECD-DAC PBA criteria: (1) financial cooperation projects (parallel financing arrangements or backup measures), (2) technical cooperation projects (advisory measures or financial contributions).

According to the OECD-DAC definition\(^{24}\), a measure should be classified as a PBA if it meets the four PBA criteria and the answer to the following questions is 'yes'. As far as German development cooperation is concerned, this is to be interpreted as follows:

1. Does leadership lie with the host country or organisation? yes/no
   - If the partner side assumes a lead role in donor coordination (e.g. in a working group or a steering committee) and plays an active role in designing and implementing the programme (ownership), then the answer is yes.

2. Is a single, comprehensive programme and budget framework used? yes/no
   - If the partner defines a programme and budget framework (e.g. plan of operations, medium-term expenditure framework, strategic implementation plan) that shows partner and donor contributions and links them to specific results, then the answer is yes. The programme and budget framework will be adjusted and updated in the light of experience gathered in the course of cooperation.

3. Is there a formalised process for donor coordination and harmonisation of procedures for at least two of the following systems (i) reporting, (ii) budgeting, (iii) financial management and (iv) procurement? yes/no
   - In the specific case of reporting, the answer is yes if the partner has a standard process for reporting on programme implementation (e.g. official report of a sector ministry on the status of implementation).
   - In the specific case of budgeting, the answer is yes if a single budget framework exists (see criterion 2).
   - In the specific case of financial management, the answer is yes if there is a formalised process for coordination and exchange of information on the implementation of donor contributions or on the harmonisation of procedures (e.g. financing of an institution using harmonised procedures and standards).
   - In the specific case of procurement, the answer is yes if there is evidence of increased efforts to use local procurement systems, or to take and implement procurement decisions on a joint basis as far as possible.

4. Does the measure use national systems for at least two of the following (i) programme design, (ii) implementation, (iii) financial management and (iv) monitoring and evaluation? yes/no
   - In the specific case of programme design, the answer is yes if the programme measures are developed by the partner or are aligned with the needs identified by the partner.
   - In the specific case of implementation, the answer is yes if a majority of the programme measures are carried out directly through partner structures and no parallel project implementation units (PIUs) exist.

\(^{24}\) Cf. OECD-DAC 2008 Survey On Monitoring the Paris Declaration, Definitions and Guidance for the Questionnaires.
3.9  **PBA marker – programme-based approaches**

- In the specific case of financial management, the answer is yes if the programme funds are at least reported in the national budget or in the budget of a regional organisation.\(^\text{26}\)
- In the specific case of monitoring and evaluation, the answer is yes if reporting is standardised and regular and monitoring and evaluation are performed on a joint basis (e.g. mutual assessment reviews).

<table>
<thead>
<tr>
<th>PBA 0</th>
<th>No relevance to PBAs</th>
<th>Old marker PGF 0</th>
</tr>
</thead>
</table>

Measures that do not meet the above PBA criteria as defined by the OECD-DAC should be assigned the marker PBA 0 (no relevance to PBAs).

This also applies to development measures that make an important contribution toward the future establishment of a PBA, but are not (yet) able to meet the criteria. The aim should then be to create the conditions for a PBA, and subsequently convert the measure into a PBA in a future phase. Due to the diverse conditions in place in partner countries this transition may take some time, as key foundations must first of all be laid.

**Examples**

The working group are currently analysing examples of how to deal with PBAs. To find out more, please click on the links to the DMS below:

- Good Financial Governance in Ghana: [https://dms.gtz.de/livelink-ger/livelink.exe/overview/50508836](https://dms.gtz.de/livelink-ger/livelink.exe/overview/50508836)
- Education in Mozambique: [https://dms.gtz.de/livelink-ger/livelink.exe/overview/50512092](https://dms.gtz.de/livelink-ger/livelink.exe/overview/50512092)
- TC Advisory Services for General Budget Support in Viet Nam: [https://dms.gtz.de/livelink-ger/livelink.exe/overview/50509110](https://dms.gtz.de/livelink-ger/livelink.exe/overview/50509110)
- Decentralised Governance in Bolivia: [https://dms.gtz.de/livelink-ger/livelink.exe/overview/50509107](https://dms.gtz.de/livelink-ger/livelink.exe/overview/50509107)

---

\(^{26}\) As defined in the study published by CABRI and SPA (April 2008): ‘Putting Aid On Budget’, Synthesis Report, p. 6
BMZ’s National Markers

4.1 AO marker – assessing the poverty orientation of development measures

German development policy is based on the concept of global sustainable development and the reduction of (extreme) poverty worldwide, as articulated in the Millennium Declaration and the MDGs. To implement this international framework for action, German development policy has set itself four goals. This is the context in which BMZ has defined poverty reduction as a core task of German development policy.

BMZ therefore explicitly requires each measure to explore the opportunities for reducing poverty, and to answer the question of whether and how the objectives and results envisaged help reduce poverty. In poverty reduction BMZ attaches priority to structural approaches that aim to change key conditions. If a measure is not poverty oriented, this must be made explicit and justified. When designing a poverty-oriented strategic approach an ex ante impact assessment should be conducted. The poverty impact assessment (PIA) developed by the DAC is an appropriate instrument for this purpose.

BMZ distinguishes between two basic forms of poverty orientation in development measures:

**Direct poverty reduction:** This involves (grass-roots-type) measures that cooperate directly with target groups and that target poor sections of the population in particular. Here BMZ distinguishes between self-help-oriented measures (marked SHA) and other forms of direct poverty reduction (marked SUA).

**Comprehensive poverty reduction:** This involves measures that operate at the macro or sectoral level (marked MSA). The results chain extending from the GIZ input to the level of the population is relatively long. It is barely possible to identify and distinguish specific final beneficiaries, although poor groups do derive significant benefits from the indirect results of the development measure.

**Measures with a general development-policy orientation:** There are also measures with a general development-policy orientation that are not oriented toward either direct or comprehensive poverty reduction (marked EPA).

The criteria for assessing the poverty orientation of development measures and assigning the appropriate markers are shown in the table below.

<table>
<thead>
<tr>
<th>How the poverty markers affect the offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>The various poverty markers affect the preparation of the offer in different ways. Please note the following points in this connection:</td>
</tr>
<tr>
<td><strong>1) Notes on the covering letter to BMZ (BMZ distribution list)</strong> The letter should state not only the country division but also the sector divisions. In the case of the markers SHA or MSA this is Div. 310.</td>
</tr>
<tr>
<td><strong>2) Formulating objectives and indicators</strong> If a measure is marked SHA then its specific orientation should also be evident in the wording of the overall objective and the indicators. If the markers SUA or SHA are assigned then specific links to poverty should be clearly evident in the wording of the objectives; the indicators should also reflect poverty-related results. In these cases both the direct and indirect benefits for poor target groups must be evident from the overall objective (including at least one indicator!).</td>
</tr>
</tbody>
</table>

---

26 BMZ Guidelines dated 24 November 1997 and supplementary explanatory remarks by GIZ.

27 Concerning the PIA, see [http://www.oecd.org/document/12/0,3343,en_2649_34621_36573452_1_1_1_1,00.html](http://www.oecd.org/document/12/0,3343,en_2649_34621_36573452_1_1_1_1,00.html); see also [https://dms.giz.de/livelink-ger/livelink.exe?func=ll&objId=51752057&objAction=browse&sort=name&viewType=1](https://dms.giz.de/livelink-ger/livelink.exe?func=ll&objId=51752057&objAction=browse&sort=name&viewType=1) in the DMS.
4.1 AO marker – assessing the poverty orientation of development measures

Describing the target groups and intermediaries
The description of the target group(s) should refer to socio-economic status and should be gender sensitive. Please ensure that the link to poverty is clear and is consistent with the poverty marker assigned.

(3) Describing the context/poverty analysis
When describing the context please explain how the measure is related to poverty, and link its strategic development activities with a coherent analysis of poverty in the partner country. Where possible, refer to existing poverty analyses (conducted by the partner country or other donors). The poverty analysis should highlight the specific quantitative and qualitative features of poverty in the partner country, reflect socioeconomic and gender-based differences between groups, and cover the various dimensions of poverty (economic, political, human, sociocultural and security-related) as well as regional aspects.
Classifying a project according to its **impacts on poverty reduction** and assigning the appropriate marker

<table>
<thead>
<tr>
<th>Criteria</th>
<th>SHA</th>
<th>SUA</th>
<th>MSA</th>
<th>EPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Are poor people part of the target group?</td>
<td>Proportion of poor people reached in the target group:</td>
<td>Poor people in the region/the country benefit to a significant degree from the indirect project results</td>
<td>Poor people in the region/the country benefit to a significant degree from the indirect project results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- at least 50 % or</td>
<td>Poor people in the region/the country benefit to a significant degree from the indirect project results</td>
<td>Criteria are met only partially or not at all; measures are eligible for promotion on the basis of their general development-policy orientation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- at least the percentage of poor people within the population in the region concerned (minimum 30 %)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Does the measure improve the lives of the poor and foster their productive potentials?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3. Do the poor participate?</td>
<td>Ownership and self-organisation</td>
<td>Active involvement in and identification with the measure</td>
<td>Key mechanisms are in place for participation by the poor in political and societal decision-making processes</td>
<td></td>
</tr>
<tr>
<td>4. Is the project setting poverty-oriented?</td>
<td>Local project setting provides an enabling environment for poverty reduction</td>
<td>Plausible results chain between the measure and improvement in the lives of the poor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scope for NGOs guaranteed</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The four questions listed above must all be answered yes if the measure is to be classified as poverty-oriented.

The various criteria are explained overleaf.
Notes on the criteria for the poverty orientation of measures

Preliminary remarks
(1) These notes explain how to apply the four criteria, and the minor differences that sometimes arise in conjunction with the various markers.

(2) When deciding whether the measure involves direct or comprehensive poverty reduction, please note the following:

- The target group is that section of the general population which ultimately benefits from the support either directly or indirectly (e.g. the clientele in whose interests an organisation is working, not the staff members of the organisation who are advised by the measure). This group of final beneficiaries or end users is considered definable when it can be identifiably and quantifiably distinguished from the general population either regionally or functionally; a perfect statistical database is not required. The target group is usually not identical with the general population in the project region.

- Development measures that generate results directly (i.e. reach a definable group of beneficiaries along a short results chain) include for instance: water supply, irrigation; regional rural development; projects for basic health and basic education in a specific region; housing; minor roads, access paths; advisory and consultancy services to organisations delivering services directly to a target group in a region; promotion of business and small and medium-sized industry, if the investors or employees are the target group.

- Measures that generate results indirectly at the macro or sectoral level (i.e. across long results chains and affecting beneficiary groups that cannot be narrowed down and defined) include for instance:
  - government advisory services
  - organisational and management consultancy
  - structural and sector adjustment plus backup measures
  - institutional development
  - promotion of pro-poor alliances between governmental and civil society institutions
  - promotion of countrywide systems (e.g. the financial sector, health and education)
  - systemic promotion of business and small and medium-sized industry, and job creation
  - promotion of economic infrastructure (provided that no identifiable target group is evident in smaller units, e.g. roadways and transport: if such a group can be identified, then the measure would generate results directly).

(3) You will be applying these guidelines on the basis of the respective country strategy and its background papers (including the sociocultural and short socio-economic analysis), which should cover a number of key issues affecting the poverty orientation and can therefore support you as you develop your ideas (e.g. poverty line, poor groups and their problems, causes of poverty, poverty-oriented sector and macro policies, opportunities for participation).

(4) If certain details are not known when the guidelines are being used at an early stage of the project cycle (e.g. during framework planning), you will need to base your thinking on the envisaged results.

Criterion 1 (Are poor people part of the target group?)
To define poverty it is always necessary to work with the poverty line as defined in the country concerned or as used in the country strategy (level of income or other indicators that mark the threshold between poor and rich).

Criterion 2 (Does the measure improve the lives of the poor and foster their productive potentials?)
(1) The economic and social conditions under which poor people live can be improved by:

- providing one or several of the components covered by the 20/20 Initiative adopted at the World Summit for Social Development (1995): basic education, basic health including reproductive health and population programmes, nutrition programmes, water supply and sanitation, and institutional capacities for the delivery of these services, or
satisfying one or several of the following basic needs: shelter, clothing, permanent employment, or
creating or improving access to key resources or rights: e.g. capital/credit, land, energy, transport, markets, or
satisfying intangible basic needs: upholding basic civil and democratic rights or human rights.

(2) The required support of the productive and creative capacities of the poor and of their economic performance capacity also improves their lives. This can involve either self-determined productive activities or waged activities. Social protection in emergency situations and against life risks for people who are temporarily or permanently unable to help themselves (e.g. the elderly, the sick or the disabled) can be classified as poverty oriented, if it reduces or prevents poverty.

(3) One high priority approach to improving the economic and social conditions under which the poor live, and developing their productive potentials, are development measures designed to change structural frameworks and legislation at the macro level (e.g. land reform, fiscal reform) or sector level (tariffs and rates policy). Further such measures are government and administrative reforms designed to strengthen democratic mechanisms.

Criterion 3 (Do the poor participate?)
(1) When we talk about participation by the poor we mean them sharing in the benefits of the development measure (see criterion 2) and taking part in decision-making on the planning and implementation of the measure itself, or in decision-making within society as a whole wherever these decisions affect the economic and social conditions under which the poor live. Participation in the latter kind of decision-making can involve either the poor themselves or their legitimate representatives. It may assume various forms and levels of intensity, depending on the nature of the measure and the decisions to be taken. The scale ranges from merely informing the target group to full ownership of the measure. For present purposes we need to distinguish between the following levels of participation:

- A: The target group are involved in and identify with the measure (even though they are not involved in decision-making, they accept the measure and identify with it – e.g. by voluntarily making use of services provided, or delivering financial or other inputs).
- B: The target group own the measure and organise it themselves: the target group take the initiative and must participate in all phases of the project, where possible as the holders or operators of the project; they make a contribution of their own; to ensure sustainability and scaling up, the project is designed to change national or local frameworks and administrative practices in a way that will benefit the poor.
- C: The poor participate in political and societal decision-making processes: given the different historical, cultural and general social conditions in place in partner countries, we cannot apply our Western model of democracy as a standard of judgement. The key issue is whether a number of significant mechanisms are in place in a country that enable the poor to articulate and assert their interests within political and societal decision-making processes. Important mechanisms include e.g. regular local and regional elections, municipal self-government, culturally specific institutions for the reconciliation of interests, or forms of self-government for core public tasks (e.g. health insurance).

Given that participation is a fundamental element of poverty reduction (see main elements of poverty reduction), a minimum level of participation that is appropriate to the case in hand must be present in all forms of poverty reduction. This means:

(2) Specific characteristics of direct poverty reduction: For a measure to be assigned the marker SHA, level of participation B must be in place (although the criterion ‘self-initiative’ need not always be fulfilled at the outset – initial impetus can also come from outside). For a measure to be assigned the marker SUA, at least level of participation A must be in place.

(3) Specific characteristics of comprehensive poverty reduction at the macro and sector levels: By definition, the participating actors here are not those groups directly touched by the project (even though in some cases this may be appropriate and possible), but the beneficiaries at the end of the results chain (= final beneficiaries). Level of participation C (with reference to general participation by the poor across society, not just within the specific measure!) must be in place.

Criterion 4 (Is the project setting poverty-oriented?)
4.1 AO marker – assessing the poverty orientation of development measures

(1) Specific characteristics of direct poverty reduction: For a measure to be assigned the markers SHA or SUA, the local project setting must provide an enabling environment for poverty reduction. Furthermore, for the measure to be assigned the marker SHA the governmental organisations of the developing country must be willing to support or at least allow participation by national or local self-help organisations and projects.

(2) Specific characteristics of comprehensive poverty reduction at the macro and sector levels: Here we need to establish whether it is possible to plausibly describe a results chain linking the measure/its (sectoral) setting with an improvement in the lives of poor sections of the population. This applies particularly where scope for governmental and civil society actors to implement pro-poor actions is broadened and utilised (e.g. explicitly poverty-oriented government policy as defined by the BMZ list of indicators no. 5, such as an economic, financial, social, agricultural, education, health and law enforcement policy that addresses the concerns of the poor; scope to articulate economic and social interests, freedom of association; decentralisation).

Notes on the plausibility of the results chain in specific areas:

- Structural adjustment: what is important here is an enabling policy for the poor, as opposed to one that simply cushions or mitigates negative impacts on them.
- Government advisory services: it is not essential that the setting is poverty oriented in this case; what is important is that the concerns of the poor are systematically incorporated into the advisory services.
- Systemic promotion of business and small and medium-sized industry, and job creation. The question here is whether economic and social structures will be influenced in a way that benefits the poor.
- Promotion of economic infrastructure with countrywide results (where identifiable and definable target groups exist, poverty reduction may be direct): strict standards should be applied here – not all promotion activity reduces poverty. What is important is the economic efficiency of the subsectors and sectors in which the development measure takes place, and of those addressed by the output (indicators e.g. forms of private-sector organisation, commercial operations, cost recovery, competitiveness), and the fact that special account is taken of the interests of the poor (indicators e.g. tariffs and rates structures, price competition, employment-intensive production). It is also important whether contributions via the subsector or sector create greater scope for pro-poor action and redistribution (e.g. by affecting employment) through their influence on macroeconomic growth or in other ways.

On the promotion of economic performance capacity in general: economic growth is a necessary but not a sufficient condition for poverty reduction; what is important is the nature of the growth, i.e. it should be geared toward sustainable development with demonstrably positive impacts on the poor.
4.2 FS marker – peace and security

1. Background
Following the standard system laid down by the OECD Development Assistance Committee (DAC), statistical data on development contributions to the objective of peace and security are collected for a national marker. The cross-sectoral markers for peace and security are FS 2, FS 1 and FS 0.

The FS marker replaces the KR marker, and applies with immediate effect to all new measures and follow-on phases. All existing measures will continue to operate with the KS marker as before.

Over the last few years major developments have taken place in the field of peace and security. Germany has played an active part in the international debate, which has seen new standards set for development cooperation in fragile contexts and those marked by conflict and violence. Examples include the World Development Report 2011 from the World Bank entitled ‘Conflict, security and development’, and the ‘New deal on engagement in fragile states’ adopted at the Busan High Level Forum in late 2011. This debate, together with the findings from evaluations and research, have now been integrated into the strategy ‘Development for peace and security – Development policy in the context of conflict, fragility and violence’. The new strategy replaces the former ‘Cross-sector strategy on crisis prevention, conflict transformation and peace-building in German development cooperation’, published in 2005. The understanding of the close interrelationships between conflict, fragility and violence which underpins the new strategy requires us to adjust the relevant instruments and replace the existing KR marker.

2. Scoring
FS 2: Peace and security is a principal objective (anticipated long-term result, programme and/or module objective) of the development measure, i.e. is the crucial reason for its implementation. This can be verified by asking the question: ‘Would the measure have been undertaken without this development objective?’

FS 1: Peace and security is a significant objective (one aspect of the programme or module objective, output), but is not in itself a crucial reason for implementing the measure.

FS 0: The measure is not targeted to peace and security.

3. Coverage
The way in which development measures contribute to peace and security may vary widely, i.e. measures may involve a variety of CRS codes. Some measures must be assigned the marker FS 1 or FS 2 because the CRS codes require this. Measures allocated to any of the following CRS purpose codes must be assigned the marker FS 1 or FS 2:

Security system management and reform (CRS code 15210)
Civilian peace-building, conflict prevention and resolution (CRS code 15220)
Participation in international peacekeeping operations (CRS code 15230)
Reintegration and SALW (small arms and light weapons) control (CRS code 15240)
Removal of landmines and explosive remnants of war (CRS code 15250)
Child soldiers (prevention and demobilisation) (CRS code 15261)
Narcotics control (16063)
Food aid/food security programmes (CRS code 52010)
Reconstruction relief and rehabilitation (CRS code 73010)
Disaster prevention and preparedness (CRS code 74010).

4. Definition and criteria for classification
The above list is not exhaustive. Measures with other CRS purpose codes may also be assigned the markers FS 1 or FS 2. Moreover, different markers may be assigned to several projects carried out within the same sector in a country, depending on the importance of peace and security as an objective for the relevant measure.

As set out in strategy paper ‘Development policy in the context of conflict, fragility and violence’, peace and security encompasses measures that help

address the causes of conflict, fragility and violence
improve capacities for non-violent conflict management
create an enabling environment for peaceful and inclusive development.

5. **Examples of typical measures assigned the markers FS 2 and FS 1**

**Examples of marker FS 2 measures**
- Transitional justice, addressing the past and fostering reconciliation
- Strengthening dialogue capacities and mechanisms for peaceful conflict management
- Preventing urban violence
- Civil Peace Service measures
- Revitalising the local economy in crisis regions
- Reintegrating ex-combatants, e.g. by involving former parties to the conflict in the reconstruction of infrastructure in conflict regions.

**Examples of marker FS 1 measures**
- Poverty reduction and food security with refugees in need of reintegration
- Promoting the rule of law
- Conflict management within the context of an environmental programme
- Improving basic sector services (e.g. water supply or health care) in crisis regions.
4.3 LE marker – rural development and food security

1. Background
Rural development and improving food security are priority areas of development policy. It is envisaged that rural areas will support pro-poor growth in developing countries. Development policy aims to support developing countries in establishing their food security on the basis of their own strategies. To achieve this objective, one policy approach is to promote enabling frameworks for agricultural production and the development of local, national and regional markets for food, and safeguard access to natural resources. In accordance with this policy, our support measures are designed to systematically achieve economically, socially and ecologically sustainable results. Emphasis is placed first of all on institutional development and the promotion of good governance. Secondly, support is provided for sustainable rural development strategies designed to maintain or improve the production base and harmonise land management with the conservation of natural resources.

The marker covers rural development and food security measures designed to generate medium- or long-term results.

This marker is necessary because in order to achieve the policy target we need to measure values and exercise political control, which we cannot do using only the existing CRS purpose codes.

2. Scoring
The cross-sectoral marker rural development and food security is scored as follows:

**LE 2:** Rural development and/or food security are a principal objective (module objective derived from the programme objective) of the measure, i.e. are the crucial reason for its implementation.

**LE 1:** Rural development and/or food security are a significant objective of the measure, but are not the crucial reason for its implementation.

**LE 0:** The measure is not targeted to rural development and/or food security.

The marker is assigned at different points in time for different types of measure:

**For FC and TC in the strict sense** the marker is assigned at the level of the individual development cooperation measures (= modules in the joint programme proposals) during framework planning, when statistical data on the measures are first recorded and encoded by the implementing organisations.

**For TC in the broad sense** the marker is assigned in the annual reports of the individual organisations to BMZ.

**For measures of non-governmental TC** (churches, political foundations, NGOs etc.) the marker is assigned when the measure is approved.

The marker is always assigned and scored (0, 1 or 2) on the basis of the financial focus of the measure.

3. Coverage
A measure can have several principal and significant objectives. See the notes below for basic guidance on assigning the marker:

Measures with the following CRS purpose codes should always be scored LE 2 (principal objective):

- 12240 Basic nutrition
- 23070 Biomass
- 15250 Removal of land mines and explosive remnants of war
- 311xx Agriculture (including all sub-categories)
- 312xx Forestry (including all sub-categories)
- 313xx Fishing (including all sub-categories)
- 32161 Agro-industries
- 43040 Rural development

---

30 Except where the organisations of TC in the broad sense are also involved in the joint programme proposal.


4.3 LE marker – rural development and food security

43050 Non-agricultural alternative development  
52010 Food aid/Food security programmes

Measures with the following CRS purpose codes should always be scored LE 0 (neither a principal nor a significant objective):

71010 Emergency food aid  
720xx Miscellaneous emergency response

All other measures (i.e. all measures not assigned to the above CRS purpose codes) must be assessed on a case-by-case basis to determine whether they merit LE 2, LE 1 or LE 0.

4. Definition and eligibility criteria

German development cooperation supports a range of complex change processes in partner countries designed to promote rural development and food security. At the political level partner-country governments are supported in designing and implementing a pro-development policy that creates enabling frameworks for sustainable rural development and food security. These include human rights and democratic structures, legal certainty and gender equality, transparent governance and anti-corruption measures, pro-market economic reforms, guaranteed access to productive resources for the rural population, education and health policies that provide for broad access, and the empowerment of disadvantaged sections of the population in rural areas that are affected by poverty and hunger. In the social sector mechanisms for balancing societal interests and conflict transformation are promoted by supporting participation and equality, promoting opportunities for secure and peaceful development, and the development of efficient and effective social security systems. In terms of ecological issues the rural population are supported in developing and implementing environmentally sound land-use strategies that avoid soil erosion, use water sparingly/reduce water consumption, do not exacerbate climate change and preserve existing biological diversity. In the economic sector advisory services and financial support are provided to help create enabling frameworks for private-sector development; private-sector actors are supported in creating productive and remunerated employment (in compliance with the ILO core labour standards) including employment outside of the agricultural sector, and service-oriented institutions for rural areas are promoted, especially in the fields of financial services, consultancy services and marketing.

In development-oriented emergency and transitional aid German development cooperation promotes short and medium-term smallholder agriculture measures to revive rural areas that directly target the needs of the poorest, IDPs, returnees and female-headed households (provision of seed, tools and fertiliser). These may be followed up by measures involving agricultural extension services or community-based seed propagation, thus linking emergency food aid to longer-term structural support.

Rural development and food security measures can include a wide range of elements, e.g.:

Support for the reorientation of national agricultural, rural development food security policies (e.g. agricultural and land reform programmes, regional planning, agricultural research, environmental, energy and transport infrastructure policy, telecommunications, fisheries policy, fiscal policy, agricultural market policy, market liberalisation, privatisation, social security systems, structural adjustment and sector investment programmes, food security strategies, national poverty reduction strategies, human rights policy – the right to food).

Strengthening the capacity of local, regional, national and international decision-makers to participate effectively in relevant policy processes on a well-informed basis (e.g. WTO agriculture negotiations, regional agricultural policies).

Support for the implementation of international environmental agreements related to rural development and food security, in conjunction with national policies.

Advisory services and training in conflict management, and mediation and moderation processes.

Strengthening and developing local rural government, decentralisation.

Strengthening of civil society organisations relevant to rural areas and the right to food (e.g. self-help organisations, professional organisations, social movements, associations, co-operatives).

Health care, family planning and HIV/AIDS prevention measures.

(Non-) formal and out-of-school basic and vocational training measures.

Promotion and further development of social security systems (including informal systems).

Diversification and promotion of agricultural production systems, including the necessary inputs, processing and services.
4.3 LE marker – rural development and food security

Advisory services for implementing agricultural and land reform programmes, and sustainable land management.
Establishment, capacity development and promotion of structures in the public and private services sector (e.g. for consultancy, marketing, credit and organisation).
Promotion of services and artisanal activities upstream and downstream of production in rural areas (e.g. promotion of SMEs and financial services, economic promotion programmes).
Promotion of international and national agricultural research.
Promotion of market access, marketing structures and regional agricultural trade.
Regional rural development, integration and strengthening of urban-rural relations, support for the establishment of centres of economic growth, financial compensation mechanisms.
Establishment and development of rural infrastructure (e.g. irrigation infrastructure; construction of rural paths, rural water and energy supply, rural education and health service delivery, information and communication technology), and support for the establishment of self-sustaining maintenance systems.
Agricultural natural resource management (conservation of agrobiodiversity and soil fertility, erosion control, sustainable water resource management, climate-friendly production methods).
Promotion of an efficient, ecologically sound increase in agricultural productivity.
Support for access to plant genetic resources, local management of biological diversity and equitable benefit sharing.
Promotion of voluntary social and ecological labelling and quality standards.
5. **Cross-cutting Issues**

5.1 **Human rights**

**Guidelines**

on taking human rights standards and principles, including gender, into account when preparing programme proposals for official German technical and financial cooperation

**Objectives and content of the guidelines**

The BMZ strategy paper *Human rights in German development policy* (2011) is binding for the institutions of official German development cooperation. It provides for the mainstreaming of the human rights-based approach as a cross-cutting issue across all priority areas and sectors. The human rights-based approach calls for the systemic incorporation of civil, political, economic, social and cultural rights, as well as human rights standards and principles. It also includes the special protection and targeted support of the rights of disadvantaged and discriminated groups enshrined in the human rights conventions. These groups include people in poverty, women, children and youth, indigenous peoples, sexual minorities and persons with disabilities. All BMZ strategy papers that are in force must be observed; the human rights strategy will be operationalised through position papers and action plans for the specific groups.

Each state bears primary responsibility for respecting, protecting and fulfilling human rights on its sovereign territory. In this context, German development policy supports state structures in partner countries in discharging their human rights obligations, and strengthens civil society in demanding and monitoring human rights.

When preparing programme proposals, the implementing organisations must assess the relevant human rights risks and results in advance for all measures and all modules of official German development cooperation. This means analysing at an early stage (where appropriate preferably as part of the brief assessment)

- what key human rights risks the development measure in question may entail, and how these can be avoided;
- whether, and if so how, the measure can make a sustainable contribution toward the realisation of human rights standards and principles.

Human rights **standards** are the rights themselves (e.g. the right to food) and their so-called core elements. The main core elements of the economic, social and cultural rights are availability, accessibility (i.e. physical accessibility, non-discriminatory accessibility and financial affordability), quality and cultural acceptability.

Human right **principles** – participation and empowerment, non-discrimination and equality of opportunity, transparency and accountability – are found in all international human rights agreements.

The present guidelines are designed to support users in discharging their obligation to assess human rights results and risks. They also make the ‘Guidelines and annotated structure for programme proposals for joint development cooperation programmes’ more specific with respect to human rights. The duties of care for human rights specified in the guidelines also provide the foundation for reports, evaluations grievance mechanisms in the human rights context. The present guidelines elucidate selected areas of risk for human rights, as well as basic approaches for strengthening the human

---

31 BMZ guidelines on taking human rights standards and principles, including gender, into account when preparing programme proposals for official German technical and financial cooperation. Version as at 6 February 2013.

32 An assessment of the impacts on human rights is also required for rapid response procedures such as those followed in case of natural disasters, crises or conflicts. However, in most cases the urgent need to respond and the difficult conditions for implementation will mean that an in-depth analysis does not take place at appraisal. Wherever possible this should then take place when implementation commences, provided that this still makes sense in terms of design and substantiation of results, and does not lead to unwarranted delays.
5.1 Human rights

rights-orientation of development measures. The existing guidelines and strategies of BMZ and the appraisal procedures of the implementing organisations already contain numerous human rights-related elements.

The requirements concerning human rights assessment detailed separately in the present guidelines should be integrated into existing instruments as soon as possible, e.g. when the latter are being updated. Until then, the present guidelines should be used on a complementary basis alongside existing documents (especially the guidelines on the policy markers ‘gender equality’, ‘participatory development/good governance’ and ‘peace and security’, and the ‘guideline on appraising environmental and climate aspects in bilateral official development cooperation’. Should any discrepancies be identified or any questions arise, please contact the BMZ Human Rights Division (Referat204@bmz.bund.de), and if necessary the responsible sector divisions.

The implementing organisations must describe clearly and in appropriate detail in the programme proposal the significant human rights aspects that relate to the measure, especially in the following sections:

- A 2.1 (Analysis of problems and potentials)
- A 3.2 and B 3.2 (Target group and other stakeholders)
- A 3.4 (Design of the German development cooperation programme)
- TC module B 3.6.1 / FC module B 3.6.2 (Macroeconomic, socio-economic, socio-cultural, political and ecological assessment).

In the annex to the guidelines, potential human rights risks and reference documents relating to human rights are discussed for the individual priority areas of German development policy. To avoid human rights risks that have been identified, the implementing organisations should design measures and include these in the programme proposal. Possible approaches for strengthening human rights in the priority areas are described in the annex.

Once the measure has been appraised, if human rights violations can be ruled out then the programme proposal can be considered unobjectionable from a human rights perspective (i.e. ‘certified’ as having passed the ‘human rights test’). In all instances where human rights violations cannot be ruled out, BMZ must be contacted in good time.

1. Major areas of risk for human rights

By human rights risks we mean possible, usually unintended negative impacts on the human rights of individuals or groups. Development measures must not contribute to human rights violations. Should it become evident that a development measure to realise one human right might compromise or entail retrograde steps for other human rights, the programme proposal must explain this and suggest a course of action to avoid these human rights risks. Under no circumstances may basic human rights, such as the right to vital food, safe water, health care, elementary education and shelter, be compromised to such a degree that they fall below a certain minimum level.

Based on our experience we will now describe areas of risk which, if relevant to the measure being appraised, should be the subject of special analysis. We will also specify reference documents from the international human rights system that should be used to support the analysis.
Discrimination against specific groups

Non-discrimination is one of the central human rights principles, and applies directly and comprehensively to all human rights. People may be discriminated against or excluded for instance on the grounds of gender, ethnicity, age, disability, language, religion, sexual orientation or gender identity, geographical origins or social background, status or other criteria. Often they may face discrimination based on several criteria at the same time, making it significantly more severe.

Discrimination – whether direct or indirect – includes:

- The unwarranted formal or de facto exclusion of particular groups from access to resources, services or co-determination.
- The unwarranted preferential treatment of particular groups in connection with access to resources or services. Preferential treatment may be justified for a limited period, provided that the intention is to break down structural disadvantage, and provided that this aim is realistic. (Due to limited funds or for reasons of donor coordination, German development cooperation is usually limited to particular regions or communities, which is not per se a violation of the principle of non-discrimination.)

Discrimination may result from poor access, e.g. where

- Information is not made available in the languages that people speak, or in formats that they can access.
- People with very low income or none at all are unable to meet the costs of water supply, health care or other vital basic services made available through a development cooperation measure.
- Persons with disabilities face physical barriers.
- Specific groups are socially stigmatised, and as a result have no access to health services, education etc.
- A registered land title is a prerequisite for access to agricultural extension services, yet women are not entitled to acquire land and are thus excluded from these services.

Development cooperation measures must not reinforce discrimination. In fact, they should help reduce it wherever possible. If state partners intend to withhold services from members of specific groups or persons of a different political persuasion, this must be explained in the programme proposal. Support is then usually out of the question.

Reference documents

- General Comment No. 20 of the UN Committee on Economic, Social and Cultural Rights concerning non-discrimination
- General Comment No. 18 of the UN Committee on Civil and Political Rights concerning non-discrimination
- Yogyakarta Principles on the application of international human rights law in relation to sexual orientation and gender identity
- Statement of the UN Human Rights Council of 22 March 2011: Joint statement on ending acts of violence and related human rights violations based on sexual orientation & gender identity

Negative impacts on rights of participation

Development measures may impact negatively on people who were not included in the decision-making processes due to their disadvantaged social status. Development cooperation programmes must therefore make their planning and participatory processes as inclusive and representative as possible, and involve all groups affected by the measure in appropriate ways. According to the Convention on the Rights of Persons with Disabilities, for instance, members of this group should be involved in the preparation and planning of strategies, action plans and measures that affect them. Involving them will ensure that the measures implemented are barrier-free.

Members of indigenous groups have so-called collective rights. The following rights of indigenous peoples are particularly relevant to development cooperation:

- the right to self-determination and participation
- the right to preserve their cultural heritage and traditional knowledge
- rights of disposal over jointly managed land and natural resources.
The principle of **free, prior and informed consent**, which is widely recognised today, is derived from these rights. Development cooperation measures that affect indigenous rights must observe this principle. Participation is included in all human rights agreements, and is made more specific in the relevant general comments.

**Reference documents** concerning specific groups

- UN Convention on the Rights of Persons with Disabilities
- ILO Convention No. 169
- UN Declaration on the Rights of Indigenous Peoples

Since the texts of the agreements and the general comments of the UN committees usually do not refer specifically to development cooperation, the implementing organisations should – particularly when cooperating with the private sector – use as a further source of guidance the **Performance Standards 2012** of the International Finance Corporation (IFC), in conjunction with the pertinent Guidance Notes.

---

### Evictions and displacement

Evictions and displacement cannot always be avoided in development measures. Since they can have a negative impact on many human rights, they are only permitted in warranted, exceptional circumstances, and are subject to strict conditions to prevent forced evictions or relocations that violate human rights. The UN Committee on Economic, Social and Cultural Rights include some highly specific prescriptions on evictions in the general comments nos. 7 and 4. The ‘UN basic principles and guidelines on development-based evictions and displacement’ make the human rights provisions on evictions and displacement more specific, and should be used as a reference document.

- States are obliged to pass and enforce **laws** that ensure protection against forced evictions by state bodies and third parties.
- **Displacement** must be avoided. It may only occur once a final review has established that there are no alternatives, that the displacement serves a justified purpose, that it is appropriate and proportionate, and that the assumption of all costs associated with the displacement by the institutions ordering or executing it is guaranteed.
- If people are evicted or displaced, **appropriate legal protection and a fair legal hearing** must be guaranteed. This includes comprehensive and intensive consultation with those affected, appropriate notice that is timely for all those affected, legal remedies for those affected, and where possible legal aid for those who need it.
- Evictions and displacement must **not** leave people **homeless** and violate their human rights. The state must take appropriate measures (e.g. provide alternative housing) for people who are unable to help themselves.
- Those affected are entitled to appropriate **compensation** for loss of property.
- If people are evicted or displaced, legal protection must be guaranteed **notwithstanding the form of accommodation** (rental, lease, owner-occupied property, emergency accommodation, informal settlements, legal occupation of land, private property, etc.).

---

**Reference documents**

- General Comment No. 4 of the UN Committee on Economic, Social and Cultural Rights concerning the right to adequate housing
- General Comment No. 7 of the UN Committee on Economic, Social and Cultural Rights concerning forced evictions
- UN Basic Principles and Guidelines on Development-based Evictions and Displacement

Since the texts of the agreements and the general comments of the UN committees usually do not refer specifically to development cooperation, the implementing organisations should – particularly when cooperating with the private sector – use as a further source of guidance the **Performance Standards 2012** of the International Finance Corporation (IFC), in conjunction with the pertinent Guidance Notes.
5.1 Human rights

Area of risk  Negative impacts on labour rights

Development measures must not have a negative impact on fundamental labour rights. These rights include above all:

- the ILO Core Labour Standards
  - the prohibition of child labour
  - the prohibition of forced labour
  - non-discrimination in employment and occupation
  - freedom of association and the right to collective bargaining.

- Other labour-related human rights include decent wages, decent hours of work, appropriate remuneration of overtime, basic safety at work (health and safety, freedom from workplace violence, including protection against sexual harassment, protection of mothers during pregnancy and breastfeeding, child protection).

Wherever possible, development measures should help counteract negative impacts on labour rights. For instance, child labour and poor working conditions must remain unacceptable even in cases where they might increase the competitiveness of small and medium-sized enterprises. Fundamental labour rights should also be taken into account in procurement.

Reference documents

ILO Core Labour Standards

Since the texts of the agreements and the general comments of the UN committees usually do not refer specifically to development cooperation, the implementing organisations should – particularly when cooperating with the private sector – use as a further source of guidance the Performance Standards 2012 of the International Finance Corporation (IFC), in conjunction with the pertinent Guidance Notes.

We also draw your attention to the Children’s Rights and Business Principles (2012).

2. Basic approaches for strengthening the human rights-orientation of development measures

Here are some approaches that may be pursued by projects and programmes to generate positive results for human rights:

- Strengthen the capacity of state institutions to remain accountable to the population, e.g. charters for the rights of patients and the obligations of health service providers.
- Strengthen civil society organisations so that they can demand human rights and monitor state policies, e.g. by promoting community-based media such as citizens’ radio.
- Empower people and raise their awareness of their rights, especially people who are in vulnerable situations or who face discrimination, e.g. by integrating human rights education into curricula and teacher training.
- Foster participation, especially by groups that face discrimination and their representative organisations (e.g. children and youth, women, persons with disabilities, ethnic minorities, indigenous peoples, sexual minorities), e.g. by applying the principle of free, prior and informed consent in infrastructure measures that affect the territory of indigenous peoples or their access to natural resources.
- Support state institutions in their supervisory and regulatory roles, e.g. with respect to the delivery of services by private sector actors (water supply, running of hospitals etc.) by promoting water user groups in poor areas who systematically rate the availability, quality and accessibility of water.

Strengthen grievance and monitoring mechanisms for the population that are also accessible to particularly disadvantaged social groups, e.g. by creating easily accessible, low-threshold complaint mechanisms for water users.
## Human rights

**Reference documents**

General comments on the political and civil human rights (International Covenant on Civil and Political Rights)

General comments on the economic, social and cultural human rights (International Covenant on Economic, Social, and Cultural Rights)

General comments on the rights of the child (Convention on the Rights of the Child)

General recommendations on women’s rights (Convention on the Elimination of All Forms of Discrimination Against Women)

[No general comments on the Convention on the Rights of Persons with Disabilities have yet been published.]