



The DAC's main findings and recommendations

Extract from: OECD Development Co-operation Peer Reviews
PORTUGAL 2022

Executive summary

How can Portugal maximise the benefits of its “decentralised” development co-operation system?

This question was at the core of the 2022 OECD Development Assistance Committee (DAC) peer review of Portugal, conducted by Germany and Hungary. Many key ministries and institutions are strongly engaged in Portugal's development co-operation, while Camões, I.P. has a mandate to steer and co-ordinate all efforts. Each institution brings expertise, resources and long-standing partnerships with peer institutions in partner countries. At the same time, the wealth and diversity of actors involved make it challenging to pull together the numerous efforts. Against a backdrop of consistent political support and improving economic outlook, the peer review assessed the adjustments that would enable Portugal to fully capitalise on the capacities of its rich institutional network while mitigating on-going challenges. As key measures, Portugal should strengthen capacity for implementation and co-ordination by increasing official development assistance (ODA) and devolving authority to country level. All actors should pursue systemic and sustainable change in partner countries through joint objectives and a greater focus on outcomes.

The well-established institutional set-up could benefit from more strategic co-ordination, devolution of authority and investment in human resources. All actors acknowledge Camões' leadership role, and regular co-ordination allows for information sharing and identification of synergies in day-to-day work. The creation of Portuguese Co-operation Centres has been an important step towards more localised decision making, complementing efforts to increase capacities and skills at headquarters and in partner countries. To steer its myriad efforts towards joint objectives, Portugal could develop cross-government strategic guidance for its priorities and regularly convene co-operation stakeholders in order to plan ahead collectively. Addressing key human resource constraints, in particular high turnover and insufficient development expertise of new staff, will be critical and should be planned across government. Portugal should pursue plans to devolve authority, and resources, to co-operation centres, as this would increase efficiency and enhance its capacity for delivery.

Portugal could do more to exploit opportunities for learning across the system. Portugal uses monitoring and evaluations to design, adjust and review interventions and is actively drawing on the insights of stakeholders outside government. To strengthen the culture of learning throughout government, Portugal could make new knowledge management and learning tools in Camões accessible across government and consider a joint evaluation policy and common results reporting. Focusing evaluations on issues with wider learning benefits could further encourage cross-government engagement and follow-up on evaluation findings. Systematically defining expected outcomes in addition to outputs would produce significant benefits for the effectiveness of Portugal's co-operation. Building on positive experiences, Portugal could create more opportunities for strategic dialogue with stakeholders, including civil society.

Portugal adds value through its close engagement with the European Union. Pursuing its internal reform agenda will be important to secure the full benefits of delegated co-operation. Engaging with the European Union (EU) is a top priority for Portugal in both policy and implementation. Its recent Presidency of the Council of the EU helped foster converging views on challenging issues. Large volumes of delegated co-operation increase Portugal's footprint in partner countries, while also driving internal reform efforts and making development co-operation visible politically. Programming under the new EU

budget provides opportunities for Portugal to work to its strengths. However, pursuing internal reform efforts will be important to address challenges in managing EU projects. Defining priorities for Portugal's approach could help address stakeholder concerns over the balance of EU and Portuguese co-operation.

There is a strong case for Portugal to increase ODA volume while maintaining ODA quality.

Portugal's clear focus on a limited set of countries most in need provides the basis for synergies across the system. Portugal has made significant progress on untying ODA. However, despite recovering from the financial crisis, Portugal's ODA volume has not caught up with past performance, or with its DAC peers. More resources could bolster internal capacity and enable programmatic collaboration across government. To increase ODA, Portugal will need to invest in targeted advocacy, a cross-government communication effort, and tools to plan ahead and allow for debate. Portugal should ensure that promoting the Portuguese private sector in partner countries aligns well with its overall objective of creating development impact.

Portugal's close relations with and respect for partner country ownership are hallmarks of its bilateral co-operation; it could gain further from pulling diverse efforts together.

Portugal and its priority partner countries value their close bilateral relations, which build on historical and linguistic ties. Portuguese public institutions are committed to these partnerships and mobilise the full range of their expertise, as well as the expertise in Portuguese society. In doing so, they stress country ownership and are responsive to partner requests. Close ties with its partner countries also underpin Portugal's successful international advocacy for triangular co-operation. A greater focus on outcomes and longer-term objectives in its country partnerships could help Portugal maximise its contributions to structural change and sustainable development in its partner countries. Moreover, more programmatic interventions could reduce the high degree of dispersion to increase efficiency and Portugal's focus on results, while preserving its responsiveness to partner needs.

Portugal could strengthen its substantial efforts targeting the humanitarian-development-peace nexus through greater localisation and support for civilian security sector governance.

In fragile situations, Portugal consistently mobilises the expertise of its justice, home affairs, and defence institutions. Building on its close ties with partner countries, Portugal plays an important role in crisis response and also enables other partners to engage. Co-ordination mechanisms and awareness raising promote the nexus, while diverse instruments facilitate the transition from humanitarian relief to medium-term recovery. To further enhance the longer-term perspective of the nexus, Portugal could draw more on local consultation and joint analysis, and also strengthen local response capacity through humanitarian assistance. Raising the profile of civilian security sector reform and governance would be an important complement to its security sector partnerships. Shifting civil society support towards more long-term and flexible modalities would help ensure civil society organisation programming is demand driven, thereby supporting greater local ownership.

Opportunities to step up support for partner countries on environment and climate change will benefit from clear priorities and capacities.

Portugal's international advocacy builds on good domestic performance and expertise. To continue leading by example, Portugal could strengthen mechanisms for policy coherence on environment and climate at home. Portugal seeks to enhance its relatively small co-operation portfolio on the environment and climate. To draw on expertise and resources across its system, developing guidance and tools as well as ensuring capacities will be critical to accompany planned funding increases. Investing in stakeholder dialogue could help draw in domestic expertise and networks.

The peer review also assessed implementation of the 2016 peer review recommendations.

Portugal has taken steps to address 16 out of the DAC's 19 recommendations, with 4 recommendations now fully implemented. The Development Co-operation Profile of Portugal and a "Snapshot" ([https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR\(2022\)4/16/FINAL&docLanguage=en](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/AR(2022)4/16/FINAL&docLanguage=en)) provide additional information on Portugal's co-operation. Good practices to inspire other DAC members and development actors are described on the learning platform, Development Co-operation TIPs - Tools Insights Practices (<https://www.oecd.org/development-cooperation-learning>).

The DAC's recommendations to Portugal

The following recommendations aim to support Portugal in building on the strengths of its development co-operation, addressing remaining challenges and pursuing on-going reform efforts:

1. To achieve greater synergies across the development co-operation system, Portugal should **promote joint strategic decision making and, building on Camões' leadership role, work together across government** to co-ordinate programming, budgeting, the development of guidance, and follow-up to monitoring and evaluation.
2. To enhance efficiency, streamline processes and strengthen capacity for local engagement, Portugal should **continue delegating authority for programming and implementation to co-operation centres**, while ensuring they have the capacity to fulfil their additional responsibilities.
3. To strengthen its capabilities for strategic co-ordination, quality assurance and delivery, Portugal should **assess and plan human resources for development co-operation across government**, and in particular continue investing in training, address high staff turnover and make flexible and effective use of expertise, in Camões, in line ministries and through external recruitments.
4. To strengthen the value of monitoring and evaluation, Portugal should **systematically integrate expected outcomes** into project designs and country programmes, monitoring and reporting on progress; **plan for, collaborate and follow-up on evaluations jointly across government; discuss and share learning insights widely; and ensure sufficient resources** are allocated to results-based management and independent evaluation.
5. **To meet its ODA commitments and ambition, Portugal should take a whole-of-government approach to:**
 - Establish a roadmap with time-bound nationally agreed targets to incrementally increase ODA.
 - Set cross-government priorities for how and where ODA increases will be spent, and ensure capacities are in place to manage additional resources.
 - Undertake co-ordinated communication and engagement efforts to convey the added value and rationale of Portuguese development co-operation.
6. To make the most of its private sector engagement, Portugal should **assess how its private sector instruments could best contribute to sustainable development in partner countries** and enhance co-operation with international partners including development finance institutions. Portugal should also ensure that its efforts to internationalise the Portuguese economy contribute to development impact and do not hinder progress on untying its ODA.
7. To strengthen its focus on systemic and sustainable change, and to increase the efficiency and effectiveness of its bilateral co-operation, Portugal should **adopt a more programmatic approach that pulls together its various interventions**, and agree with partner countries a prioritised set of outcomes to which Portugal's activities collectively contribute.
8. To ensure Portugal's peace efforts under the nexus approach contribute to long-term stability and sustainable development, Portugal should **enhance its support to security sector governance by further integrating civilian oversight and security sector reform elements into its military co-operation activities**.
9. To maximise civil society's contribution within its development co-operation efforts at headquarters and in partner countries, Portugal should – **in discussion with CSO partners – provide more flexible and longer-term funding and draw more systematically and strategically on the expertise of civil society** both in Portugal and its partner countries.
10. To enhance its contribution to environmental and climate objectives, Portugal should **agree a set of cross-government co-operation priorities for environment and climate action based on its domestic expertise, as well as increase capacities**, for example, through the development of guidance and training for co-operation staff.

Access the full report

OECD Development Co-operation Peer Reviews: Portugal 2022

<https://doi.org/10.1787/550fb40e-en>

