OECD Development Co-operation Peer Reviews

GERMANY

2021



OECD

OECD Development Co-operation Peer Reviews: Germany 2021



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Please cite this publication as:
OECD (2021), *OECD Development Co-operation Peer Reviews: Germany 2021*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/bb32a97d-en*.

ISBN 978-92-64-32066-6 (print)
ISBN 978-92-64-32823-5 (pdf)

OECD Development Co-operation Peer Reviews
ISSN 2309-7124 (print)
ISSN 2309-7132 (online)

Corrigenda to publications may be found on line at: *www.oecd.org/about/publishing/corrigenda.htm*.

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Foreword

The OECD Development Assistance Committee (DAC) conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies, systems and programmes of each member are critically examined approximately every five to six years.

The objectives of DAC peer reviews are to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries. DAC peer reviews assess the performance of a given member and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

The OECD Development Co-operation Directorate provides analytical support to each review and is responsible for developing and maintaining, in close consultation with the Committee, the methodology and analytical framework – known as the Reference Guide – within which the peer reviews are undertaken.

Following the submission of a memorandum by the reviewed member, setting out key policy, system and programme developments, the Secretariat and two DAC members designated as peer reviewers visit the member's capital to interview officials, parliamentarians, as well as representatives of civil society, non-governmental organisations and the private sector. This is followed by up to two country visits, where the team meet with the member and senior officials and representatives of the partner country or territory's administration, parliamentarians, civil society, the private sector and other development partners. The main findings of these consultations and a set of recommendations are then discussed during a formal meeting of the DAC prior to finalisation of the report.

The Peer Review of Germany involved an extensive process of consultation with actors and stakeholders in Germany, Rwanda and Tunisia. Due to the COVID-19 pandemic, these consultations were undertaken virtually. The resulting report, which contains both the main findings and recommendations of the DAC and the analytical report of the Secretariat, formed the basis for the DAC meeting at the OECD on 19 May 2021, at which senior officials from Germany responded to questions formulated by the Committee.

The peer review considered elements of Germany's political and economic context that shape the nation's development co-operation policies and systems.

Following elections in 2017, a grand coalition of the Christian Democratic Union; its sister party, the Christian Social Union; and the Social Democratic Party formed the federal government. The parliamentary opposition comprises Alternative for Germany, the Free Democratic Party, the Left Party and the Greens. After serving four parliamentary terms as federal chancellor (2005-21), Angela Merkel will not run in the 2021 parliamentary elections. Nor will Gerd Müller, the Federal Minister for Economic Cooperation and Development since 2013. Dr. Merkel has been a stable and enduring presence in German, European and global politics. During her time as chancellor, the German economy has grown to become the fourth largest in the world and living standards have risen sharply. Incomes have grown and unemployment reduced to its lowest level since reunification in 1990.

In 2020, however, the German economy contracted significantly following the coronavirus (COVID-19) outbreak and resulting collapse in global trade. Gross domestic product (GDP) fell 5.5% and the fiscal balance declined by 6.3% of GDP. The capacity of the health sector combined with testing, tracing and isolation of cases helped bring the initial COVID-19 outbreak under control, with more stringent containment measures introduced in November 2020 as the virus reappeared. Fiscal space resulting from prudent pre-crisis budgeting enabled the government to protect jobs and companies, and Germany played a significant role in the establishment of the European Union Recovery and Resilience Facility. Structural challenges were present prior to the pandemic: insufficient investment in infrastructure including for digital transformation; an ageing population; and the need to transition to cleaner, more sustainable energy and new technologies in the automobile industry (OECD, 2020[1]).

Well-being in Germany was high prior to the pandemic, marked by strong incomes, good work-life balance, access to green space and good student performance. There have been improvements in economic capital, greenhouse gas emissions and labour utilisation over the past decade. However, health outcomes vary according to socio-economic status, air pollution remains high and education among young adults and Germans' material footprint has worsened. While income inequality had stabilised prior to COVID-19 — aided by a high level of redistribution — and is below the OECD average, the relative risk of living in poverty has risen. Wealth inequality (60% in the upper decile) is high compared with other OECD countries, which average below 50% (OECD, 2020[1]).

In Germany's federal and decentralised governance system, development actors engage autonomously at the federal, state and municipal levels. At the federal level, the Federal Ministry for Economic Cooperation and Development (BMZ) is Germany's dedicated ministry for development co-operation. Thirteen other federal ministries extend development co-operation, the most important of which are the Federal Foreign Office, the Federal Ministry for Environment, Nature Conservation and Nuclear Safety, and the Federal Ministry of Finance. Since 2012, the Federal Foreign Office has sole responsibility for humanitarian assistance. In addition, Germany's 16 federal states (*Bundesländer*) and a large number of municipalities contribute resources to decentralised co-operation in partner countries. Besides the public actors, civil society organisations, including non-governmental organisations of the two major churches as well as six political foundations round out the broad range of German development co-operation actors.

The Federal Chancellery leads on Germany's cross-government sustainability strategy, but there is no overall policy vision for development co-operation binding all official German development actors. The German sustainability strategy, approved on 10 March 2021, aims to implement the 2030 Agenda for Sustainable Development. It is structured around the 17 Sustainable Development Goals and comprises indicators and targets on national and international themes. All federal ministries were involved in the process of developing the strategy which included a two-stage multi-stakeholder consultation. Following the principle of autonomous action enshrined in Germany's Basic Constitutional Law (*Grundgesetz*), each federal ministry has its own policy documents for providing official development assistance within its own area of competence. Federal ministries share information and co-ordinate in partner countries. In 2018, BMZ's *Development Policy 2030* built upon its 2014 *Charter for the Future*, aligning development policy to the 2030 Agenda and the Paris Agreement on climate as well as overarching global trends. The BMZ 2030 reform strategy, implemented starting in 2020 has a long-term focus on global public goods and German expertise, allowing amongst other things for new political initiatives that are coherent with the 2030 Agenda and more focused bilateral co-operation.

BMZ has a leadership and oversight role for the four official German implementing organisations: KfW Development Bank; Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the German corporation for international co-operation; Physikalisch-Technische Bundesanstalt (PTB), the National Metrology Institute; and the Federal Institute for Geosciences and Natural Resources (BGR). Of these, the two main implementing organisations are GIZ for technical co-operation, which operates in about 120 partner countries, and KfW Development Bank, a development finance institution operating in about 70

partner countries. A subsidiary of KfW Group, Deutsche Investitions- und Entwicklungsgesellschaft (DEG), finances long-term investments of private companies in developing and emerging economies.

In addition, the German Institute for Development Evaluation was established in 2012 as an independent body with a multi-stakeholder advisory board that conducts policy and strategy evaluations. The German Development Institute (DIE), established in 1964, is one of the leading research institutes and think tanks for global development and international co-operation worldwide. BMZ and German development co-operation more broadly rely on DIE for research, policy advice and training, and building bridges between theory and practice.

Acknowledgements

Development Assistance Committee (DAC) peer reviews function as a tool for both learning and accountability. This report – containing both the main findings and recommendations of the DAC and the analytical report of the Secretariat – is the result of a nine month in-depth consultation and review process. It was produced by a review team comprising peer reviewers from Belgium (Geert Vansintjan and Isabelle Wittoek, Ministry of Foreign Affairs, Foreign Trade and Development Cooperation) and the Netherlands (Paul Litjens and Bouwe-Jan Smeding, Ministry of Foreign Affairs), together with an observer from Romania (Angela Sima, Romanian Agency for International Development Cooperation). From the OECD Development Co-operation Directorate, John Egan, Senior Policy Analyst, served as the lead analyst for the review, together with Emily Bosch, Policy Analyst, Nadine Piefer-Söyler, Policy Analyst, Cyprien Fabre, Senior Policy Analyst (Crises and Fragility Specialist) and Karin McDonald, Policy Analyst. Autumn Lynch and Katharina Satzinger provided logistical assistance to the review, and formatted and produced the report. The report was prepared under the supervision of Rahul Malhotra, Head of Division, Reviews, Results, Evaluation and Development Innovation. The report was edited by Susan Sachs.

The team are grateful for valuable inputs from across the Development Co-operation Directorate, including statistical support from the Financing for Sustainable Development division, and the OECD, in particular the Centre for Tax Policy and Administration; the Directorate for Financial and Enterprise Affairs; the Directorate for Legal Affairs; the Directorate for Public Governance; the Economics Department; the Environment Directorate; the Statistics and Data Directorate; the Trade and Agriculture Directorate; the Development Centre; the Financial Action Task Force; and the Multilateral Organisation Performance Assessment Network.

The Peer Review of Germany benefited throughout the process from the commitment and dedication of representatives of the German Federal Ministry for Economic Cooperation and Development and the Federal Foreign Office, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW Development Bank. The review team are also thankful to the Ambassadors, Heads of Cooperation and the leadership of GIZ and KfW Development Bank in Kigali and Tunis and their staff, who ensured smooth contact with local counterparts as well as documentation, insights and logistical support.

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Abbreviations and acronyms

BGR	Federal Institute for Geosciences and Natural Resources
BMBF	Federal Ministry of Education and Research
BMEL	Federal Ministry of Food Security and Agriculture
BMF	Federal Ministry of Finance
BMFSFJ	Federal Ministry for Family Affairs, Senior Citizens, Women and Youth
BMI	Federal Ministry of the Interior, Building and Community
BMU	Federal Ministry for Environment, Nature Conservation and Nuclear Safety
BMVg	Federal Ministry of Defence
BMVI	Federal Ministry of Transport and Digital Information
BMWi	Federal Ministry for Economic Affairs and Energy
BMZ	Federal Ministry for Economic Cooperation and Development
CBPF	Country-based pooled funds
CDI	Commitment to Development Index
CRS	Creditor Reporting System
CSO	Civil society organisation
DAC	Development Assistance Committee (OECD)
DEG	Deutsche Investitions- und Entwicklungsgesellschaft (KfW)
DERa	Development Effectiveness Rating
DEval	German Institute for Development Evaluation
EU	European Union
G7	Group of Seven
G20	Group of Twenty
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GPEDC	Global Partnership for Effective Development Co-operation
IATI	International Aid Transparency Initiative
ICT	Information communications technology
KfW	KfW Development Bank
LAC	Latin America and the Caribbean
LDC	Least developed country

NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PSEAH	Preventing sexual exploitation, abuse and harassment
PTB	National Metrology Institute (Physikalisch-Technische Bundesanstalt)
SDG	Sustainable Development Goal
SME	Small and medium-sized enterprise
THW	Federal Agency for Technical Relief
TOSSD	Total Official Support for Sustainable Development
TVET	Technical and vocational education and training
UN	United Nations
WTO	World Trade Organization

Signs used:

EUR	Euro
USD	United States dollar
n.a.	Not applicable

Slight discrepancies in totals are due to rounding.

Annual average exchange rate: 1 USD = EUR

2013	2014	2015	2016	2017	2018	2019	2020
0.7532	0.7537	0.9015	0.9043	0.8871	0.8473	0.8933	0.8775

Executive summary

Germany joined the Development Assistance Committee (DAC) in 1960 and was last peer reviewed in 2015. This report assesses the progress made since then, highlights recent successes and challenges, and provides key recommendations for the future. Germany has partially implemented 79% of the recommendations made in 2015 and fully implemented 21%. This review contains the DAC's main findings and recommendations and the Secretariat's analytical report. It was prepared with reviewers from Belgium and the Netherlands, with Romania as an observer, for the DAC peer review meeting for Germany at the OECD on 19 May 2021. In conducting the review, the team consulted key institutions and partners in Germany during October and November 2020, in Rwanda in December 2020, and in Tunisia in January 2021.

Global efforts for sustainable development. Germany is strongly committed to sustainable development and climate change and aims to achieve fair and sustainable globalisation. Greater use of soft power would increase its global influence. Germany promotes global public goods, addresses global challenges, and contributes to global responsibility sharing, e.g. regarding health and safe, orderly and regular migration. The Sustainable Development Strategy has a strong vision but could be more ambitious. Germany has mechanisms supporting coherence between domestic policies and sustainable development objectives and is making progress in some shared policy areas, but could do more to limit spillover effects on developing countries. Close collaboration is needed among the autonomous federal ministries and federal states in Germany's decentralised government system. Development co-operation and helping people in poor countries are important to German citizens. Further work is needed to translate positive attitudes into more public engagement and behaviour change.

Policy vision and framework. *Development Policy 2030*, issued in 2018, is centred on the 2030 Agenda and the Paris Agreement on climate change. While development co-operation sits firmly within Germany's political and strategic priorities backed by strong leadership and resources, there is no overall vision binding German development actors beyond the dedicated Ministry for Economic Cooperation and Development (BMZ). The BMZ 2030 strategy operationalises *Development Policy 2030*, allowing for a long-term focus on global public goods as well as shorter-term political initiatives. Germany recently refocused its development co-operation towards Africa, reduced the number of its partner countries from 85 to 60 and concentrated thematic priorities in five core areas. This could offer a modern narrative emphasising Germany's comparative advantage in development co-operation. Germany should continue to invest in a number of cross-cutting quality criteria including gender equality and reducing poverty and inequality. Its multilateral strategy strives to reaffirm the multilateral order and anchor political priorities including action for climate change. Germany could engage more with the broad range of stakeholders involved in its development co-operation.

Financing for development. In 2020, Germany provided official development assistance (ODA) in the amount of USD 28.4 billion (according to preliminary data), representing 0.73% of gross national income (GNI), one of only six DAC countries to meet or exceed the ODA as a percentage of GNI target of 0.7%. The second largest DAC provider country since 2016, Germany has yet to provide 0.15% of GNI as ODA to least developed countries. Loans represent 23% of gross bilateral ODA, and almost all loans are

disbursed to middle-income countries. Technical co-operation, implemented almost exclusively through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, constitutes 16% of bilateral grants. The Middle East and North Africa as a region has received the biggest increase in ODA since 2010, although Germany's ODA is now mostly concentrated in Africa. Budget support provided as policy-based loans has also increased. A strong multilateralist, Germany also promotes joint action for climate change and the root causes of displacement. It supports financing beyond ODA through KfW Development Bank (KfW) and its subsidiary, German Investment and Development Company (DEG), and has been instrumental in establishing an architecture to support partner countries to mobilise domestic resources.

Structure and systems. While having a dedicated ministry raises the profile and resources for development co-operation, ensuring a whole-of-government approach is challenging in Germany's decentralised system. Ministerial autonomy and the non-hierarchical relationship between autonomous ministries lead to a practice of non-interference requiring co-operation and co-ordination. The respective roles and division of labour between BMZ and the four implementing organisations are clear, complementary and understood in partner countries. BMZ is aiming at reducing bureaucracy and making political steering more effective through the joint procedural reform and integrated planning and allocation system. Germany's comprehensive and solid risk management system assesses, monitors and mitigates risks. Highly skilled staff manage and deliver German development co-operation, although it remains highly centralised. Increasing the number and capacity of BMZ staff seconded to Embassies, enhancing their contribution to decisions and enabling them to engage flexibly in development co-operation at country level would enable Germany to be more effective and efficient. National staff ensure a sound understanding of local contexts and constant dialogue. Greater use of international languages for non-official documents would strengthen the contribution of national staff and facilitate their skills improvement.

Delivery and partnerships. Germany has strong partnerships including with multilateral institutions, state and municipal actors, civil society organisations (CSOs), research and evaluation institutes, and an interested private sector. It could make better use of this diverse range of partners; step up funding to CSOs, including Southern CSOs; and reduce bureaucratic hurdles. Dedicated mechanisms and instruments enhance predictability and flexibility for private sector involvement, but funding periods and bureaucracy remain challenging. Germany is a strong supporter of multilateralism and European Union joint programming and a champion of triangular co-operation. It could do more to encourage multi-stakeholder partnerships. While Germany champions development effectiveness, BMZ will need to safeguard partner country ownership when implementing its BMZ 2030 reform, which offers an opportunity to rethink the form and content of its country strategies. Support to partner countries is predictable and forward planning is strong. Germany has a broad range of instruments at its disposal to respond flexibly to partners' demands, and its reform financing is contingent upon showing results to which they agree.

Results, evaluation and learning. Germany's development co-operation aligns with partner country priorities, but it does not articulate overall objectives in ways that can be measured and assessed. While project outcomes are linked to portfolio impacts, work is required to improve results-based management and embed a results culture within German development co-operation. An enhanced integrated data management system and broader set of indicators would help. Results information is used for accountability and communication but not for strategic direction and management. Germany has strong and respected evaluation capability and contributes to evaluation internationally. The German Institute for Development Evaluation focuses on strategic evaluations and GIZ and KfW on evaluating projects and portfolios. Germany might consider how best to allocate resources for evaluation across the German system. Evaluation functions are independent. GIZ and KfW could improve their approach by building institutional evaluation capacity including through participatory approaches in partner countries. Networks exist for knowledge sharing and learning across the German system but knowledge management is challenging. Results information, evaluation findings and lessons learned need to be more systematically disseminated.

Fragility, crises and humanitarian aid. Germany has a clear vision and set of policies to support peace efforts. Yet, its increased ODA is not primarily invested in fragile contexts. Germany champions policy discussions to increase coherence in crisis contexts. BMZ, GIZ and KfW have strengthened the modalities of their engagement in high-risk contexts and the Federal Foreign Office's humanitarian assistance is needs-based and grounded in humanitarian principles. BMZ and the Federal Foreign Office have significantly strengthened their co-ordination, notably on joint analysis. Refining further the intersection between humanitarian assistance and conflict-sensitive development co-operation would enhance complementarity. In addition, clarifying that a nexus approach to programming is relevant beyond the ten countries in BMZ's partner country list could strengthen Germany's programming in all fragile contexts. Germany has firmed up partnerships with multilateral actors, but stronger support to grassroots civil society could also ensure more targeted impact and granularity of context analysis in peace and crisis prevention settings.

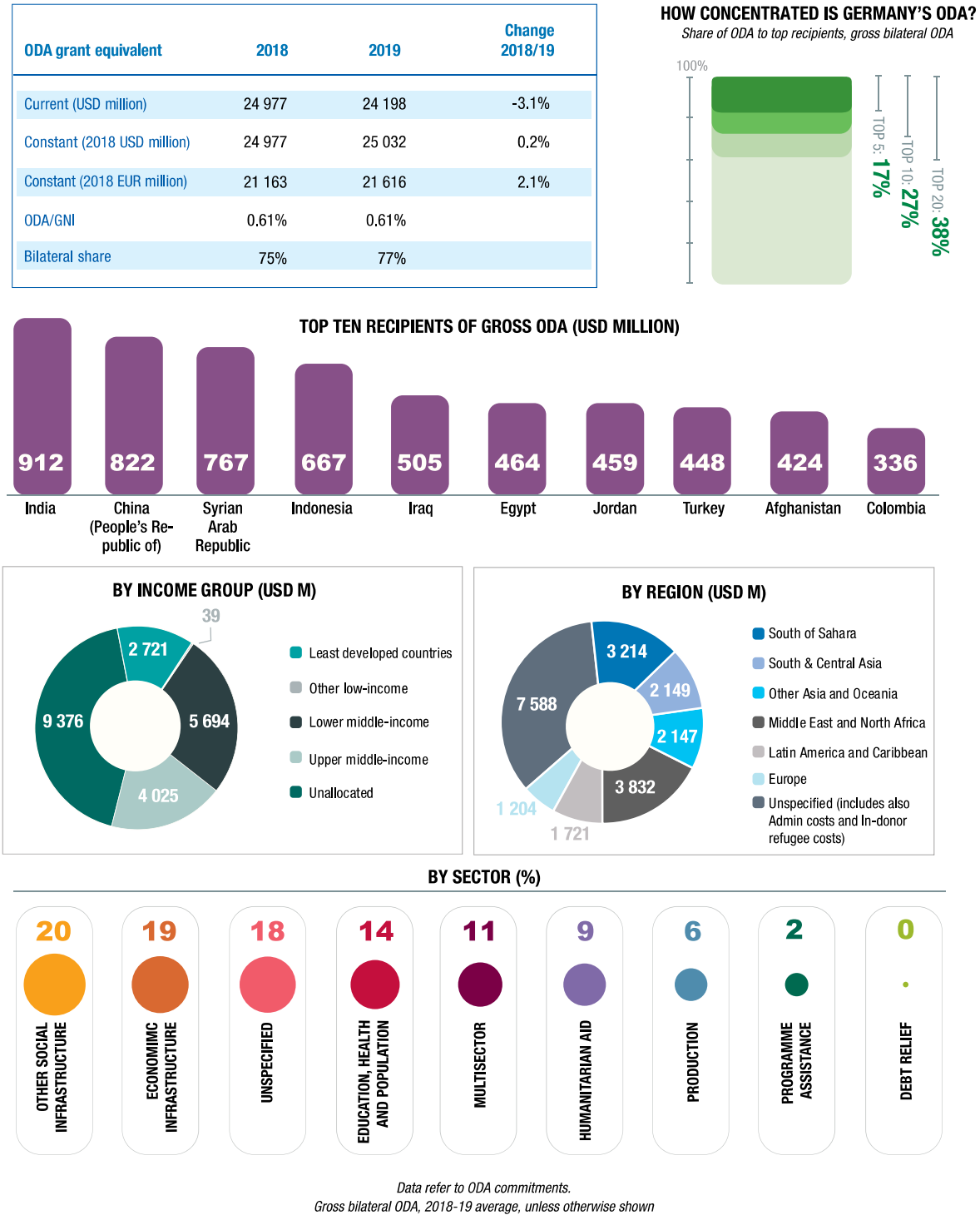
The DAC's recommendations to Germany

1. Germany should take action so that its Sustainable Development Strategy better addresses incoherence between domestic and European policies and global sustainable development objectives, in particular spillover effects on developing countries, by:
   - undertaking systematic analysis to identify areas of potential incoherence in existing and proposed policies and regulations
   - including in the strategy remedies to mitigate negative impacts affecting developing countries and assigning actions for federal ministries and agencies to implement
   - following up on implementing, reviewing and reporting the results of these actions.
2. As the lead for development co-operation in the federal government and in order to fully implement its policy and 2030 reform process, BMZ should:
   - develop a clear strategic vision for German development co-operation, including technical co-operation, across the federal government and implementing organisations
   - use the joint procedural reform and BMZ 2030 to drive effectiveness, flexibility and responsiveness to partner countries' needs through reduced internal bureaucracy.
3. To enable German development co-operation to realise its ambitious gender action plan, BMZ and its partners should invest more in gender equality and women's empowerment, increase human resources for gender equality, and further develop staff capacity.
4. Germany should develop further guidance and more closely monitor the extent to which its investments contribute to reducing poverty and inequality
5. BMZ should deepen its culture of results and systematically apply results-based management across German development co-operation – in particular in country, thematic, regional, and global programmes.
6. Germany should continue to invest in building evaluation capacities in its partner countries and invest more in learning from evaluations of special initiatives and its overall investments at country, regional and programme levels.
7. Building on their respective roles and their increased coherence and co-ordination when engaging in fragile and crisis contexts, BMZ and the Federal Foreign Office should collectively:
   - improve the delivery of development and humanitarian objectives by exploiting synergies across the humanitarian, development and peace nexus, amongst others by further advancing the implementation of the relevant Policy on Improving Joint Analysis and Joined-up Planning (GAAP)
   - make clear to staff and partners that conflict sensitivity and a nexus approach to programming apply across Germany's portfolio beyond the ten nexus and peace countries on BMZ's list of partner countries.
8. Germany should maximise the use of the international language of partner countries in nonofficial documents, training and communication to draw on the knowledge and enhance the contribution of national staff.
9. Germany should increase the number, seniority and capacity of BMZ staff seconded to embassies, enhancing their contribution to decisions, and enabling them to engage flexibly in development co-operation at country level in a more efficient way.
10. Germany should outline in country strategies its development co-operation objectives in partner countries and transparently share information about these objectives together with other relevant information about the development co-operation activities financed by the German government.

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Figure 0.1. Germany's aid at a glance

ODA grant equivalent	2018	2019	Change 2018/19
Current (USD million)	24 977	24 198	-3.1%
Constant (2018 USD million)	24 977	25 032	0.2%
Constant (2018 EUR million)	21 163	21 616	2.1%
ODA/GNI	0.61%	0.61%	
Bilateral share	75%	77%	



Data refer to ODA commitments.
Gross bilateral ODA, 2018-19 average, unless otherwise shown

Source: OECD DAC (2020[2]), *Financing for sustainable development* (database); www.oecd.org/dac/stats.

StatLink https://stat.link/ctklzb

Infographic 1. Findings from the 2021 Development Co-operation Peer Review of Germany

Official development assistance in numbers

ODA VOLUME

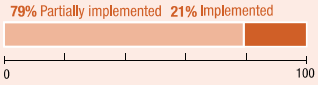
USD 28.4 BILLION
+
2ND

ODA/GNI

0.73%
+
5TH

TOP 5 BILATERAL RECIPIENTS

1. INDIA
2. PEOPLE'S REPUBLIC OF CHINA
3. SYRIAN ARAB REPUBLIC
4. INDONESIA
5. IRAQ



Germany has partially or fully implemented **100%** of the DAC recommendations from the last review (in 2015).

As a valued development partner, Germany...

…invests in fair and sustainable globalisation

Green Button is raising awareness of sustainable global value chains and is changing consumer behaviour

…strives for peace, freedom and security in the world

It cultivates its international influence and champions the humanitarian-development-peace nexus

…draws on a broad range of instruments

It is an international leader in provision of insurance products, including on climate and credit risk

Germany can improve by...

…developing a clear, strategic vision for its development co-operation

…systematically applying results-based management

…outlining in country strategies its development co-operation objectives and transparently sharing information about these and the activities it finances

ODA volume and ODA/GNI figures are 2020 provisional data. Ranking is among DAC countries. Top 5 recipients are of bilateral ODA in 2019, the most recent complete year of data reported by DAC members to the OECD Creditor Reporting System (CRS), and in current prices.

The DAC's main findings and recommendations

Sustainability drives Germany's approach to development co-operation

Germany believes that fair and sustainable globalisation delivered through a rules-based multilateral order is critical for peace, freedom and security in the world

Germany is trusted as a global power and admired for its strong economy and stable leadership. It recognises the universal applicability of the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change, considering these to be critical for domestic and global well-being. Germany strives for peace, freedom and security in the world and is prepared to take responsibility and lead by example, as it did in hosting large numbers of refugees from 2015. In support of fair and sustainable globalisation, the Green Button initiative raises awareness of the need for sustainable global value chains, is changing consumer behaviour and may be expanded across Europe.

Germany has anchored its political priorities in four well-resourced special initiatives on "One World – No Hunger", "Tackling the Root Causes of Displacement – Reintegrating Refugees", the "Middle East and North African region", and "Training and Job Creation. Germany initiated the Compact with Africa initiative during its G20 presidency in 2017 to promote private investment in Africa, and 12 countries have since joined the initiative. In 2018, the Federal Ministry for Economic Cooperation and Development (BMZ) launched its Marshall Plan with Africa, an initiative marked by a policy priority on job creation and by the means of reform partnerships. Today, reform partnerships with six African countries aim to focus on joint sustainable economic co-operation, with the aspiration of moving away from the concept of donor and recipient countries.

Germany remains a true proponent of peace and has a clear vision, a set of articulated policies and a comprehensive approach to support countries in crisis on their path to recovery and resilience. This builds on the global reach and proactivity of its instruments in crisis contexts. Germany cultivates its international influence and champions policy discussions around the humanitarian-development-peace nexus as a means for better complementarity and coherence in crisis contexts.

Development co-operation sits firmly within Germany's political and strategic priorities backed by resources, strong leadership, a dedicated ministry (BMZ), the involvement of all other federal ministries, and the 16 federal states and municipalities. In KfW Development Bank (KfW) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, BMZ has strong and diverse implementing organisations with rich technical and geographical expertise. Germany works to uphold the rules-based multilateral order, and it is investing in improving the performance and effectiveness of multilateral organisations through existing governance mechanisms.

The BMZ 2030 reform process is in the early stages of concentrating German development co-operation from 11 thematic priority areas to five core areas and integrating six cross-cutting quality criteria. BMZ is currently working to update strategy and guidance documents. At country level, activities are already folding into fewer sectoral "blocks" in view of BMZ 2030. The new integrated planning and allocation system will prioritise a thematic approach to which regional and country strategies will be closely linked. The important reform process is commendable and is an opportunity for Germany to outline the objectives to which it aims to contribute, while remaining flexible and responsive to the needs of its partners.

Starting in 2010, Germany progressively increased its official development assistance (ODA), and it became the second largest DAC provider country in 2016. In 2020, Germany's ODA increased by 13.7% over the previous year to reach USD 28.4 billion on a grant equivalent basis, or 0.73% of gross national income (GNI). Germany was one of only six DAC countries that exceeded the international ODA to GNI target. From the first weeks of the pandemic, BMZ recognised that COVID-19 would require a reallocation of funding. It restructured programmes to provide additional emergency relief and services for displaced people and to strengthen crisis management to address the health and economic impacts of the crisis in developing countries. In June 2020, BMZ announced an additional EUR 3.1 billion in ODA as part of the country's fiscal stimulus package, bringing Germany's total COVID-19 support to EUR 4.7 billion. In February 2021, Germany announced an additional EUR 1.5 billion for global medical support.

German development co-operation draws on a broad range of instruments and involves a diverse group of partners

Germany has the technical capacity and political ambition to play a leading role in the financing for sustainable development agenda. BMZ, mainly through KfW Development Bank and Deutsche Investitions- und Entwicklungsgesellschaft (DEG), and the German Chambers of Commerce Abroad invest significantly in private sector engagement in partner countries using a diverse set of mechanisms and instruments. For example, Germany supports the multi-stakeholder Currency Exchange Fund which hedges local currencies. Germany is an international leader in the provision of insurance products, including on climate and credit risk. KfW Development Bank has long-established experience with the issuance of green bonds — the value of its current portfolio is EUR 2 billion — in co-operation with developing countries. Germany's new development investment fund in Africa is getting off the ground with the aim to enhance private sector investment and foreign trade promotion.

Germany uses a broad range of financial and technical co-operation instruments, champions innovative modalities such as triangular co-operation, engages in European Union (EU) joint programming, has twinning initiatives among municipalities, and participates in co-financing with other development partners and with multilateral organisations to better tailor its approaches to partner countries' demand and needs. Germany has developed a comprehensive and ambitious approach to innovation and digitalisation throughout its main institutions (BMZ, GIZ and KfW). BMZ created a dedicated new unit and issued a strategy for digitalisation, which is one of six cross-cutting quality criteria. GIZ and KfW established their own structures and projects to foster innovation and digitalisation around the globe through blockchain technologies, using artificial intelligence and machine learning, including in response to the COVID-19 pandemic.

German development co-operation is supported by a wide range of autonomous non-state actors comprising diverse civil society organisations (CSOs), among them political foundations and faith-based organisations, research and evaluation institutes, and philanthropic and private sector partners. CSOs foster grassroots exchanges, maintain networks in partner countries and contribute to leaving no one behind by working with marginalised groups. German companies' investments in partner countries contribute to job creation, employment, skills development and growth. The globally renowned German Development Institute informs and influences government decision making. The German Institute for

Development Evaluation (DEval) provides independent, strategic evaluations and lessons for development co-operation.

Germany can build on its achievements

Systematic analysis of potential incoherence with sustainable development objectives would help Germany to address spillover effects of domestic policies on developing countries

Germany's Sustainable Development Strategy has a strong vision for domestic and global sustainability and strives for a holistic approach across all policy areas. Noting areas that remain off track, the latest version emphasises the need to intensify implementation in human well-being and skills and social justice; energy transition and climate protection; the circular economy; sustainable building and transition in the transport sector; sustainable agricultural and food systems; and a pollution-free environment. More could be done regarding biodiversity loss, phasing out of fossil fuels, and moving to sustainable energy, circular consumption and production. As suggested in the 2015 peer review, Germany could undertake regular analysis of potential incoherence in policy areas that have spillover effects on developing countries, including mitigation actions in the strategy.

The institutional architecture supporting the strategy's implementation is sound. The Federal Chancellery leads on sustainability. Oversight, advisory, consultative and cross-government co-ordination mechanisms are in place. In June 2019, the federal states committed to including the principles of the strategy in their own policies. Nevertheless, challenges remain in Germany's decentralised system. Ministerial autonomy and the non-hierarchical relationship between federal ministries lead to a practice of non-interference, requiring co-operation and co-ordination. While ministries are open to collaboration, they have limited incentive to identify and address conflicts with sustainable development objectives, especially in areas that span different policy areas. Arriving at consensus takes time. Although the architecture serves implementation of the strategy, it does not cover additional areas that have spillover effects on developing countries.

Recommendation

1. Germany should take action so that its Sustainable Development Strategy better addresses incoherence between domestic and European policies and global sustainable development objectives, in particular spillover effects on developing countries, by:

- undertaking systematic analysis to identify areas of potential incoherence in existing and proposed policies and regulations
- including in the strategy remedies to mitigate negative impacts affecting developing countries and assigning actions for federal ministries and agencies to implement
- following up on implementing, reviewing and reporting the results of these actions.

Building on strong public support, BMZ could extend its existing cross-ministerial efforts to develop a vision for more effective German development co-operation

Development co-operation and the global solidarity of supporting people in developing countries are important to the German public. While Germany has a dedicated development ministry, resources and strong political commitment, there is no coherent overarching vision for Germany's development co-operation supported by cascading policies, strategies and guidance. Each federal ministry enjoys

relative autonomy. Beyond federal ministries, each German development co-operation actor has its own budget, mandate, and engagement — including policy dialogues and networks in partner countries in coordination with the German embassies — which adds to the complexity. Developing a coherent and co-ordinated German approach is challenging but not impossible as the federal government's Africa policy guidelines demonstrate. Germany's efforts to boost economic development and job creation in Africa are an example of how Germany has achieved good coherence. High-level political commitment to Africa led to a comprehensive approach steered at state secretary level that incorporates a broad range of German actors and instruments including the BMZ Marshall Plan with Africa, Germany's reform partnerships with six African countries and a new investment fund.

Germany has an important share of technical co-operation (16% of bilateral ODA grants), almost exclusively implemented by GIZ and over 22,000 staff in 120 country offices around the world. As such, Germany has a strong network of local and international expertise in-house. In a rapidly changing development co-operation landscape and in the context of BMZ 2030, now would be a good time for Germany to reflect on its longer-term vision and strategy for technical co-operation in the countries where it works and where it seeks to transition relationships.

BMZ is working towards reducing bureaucracy and increasing efficiency and effectiveness in the complex German development co-operation system through the joint procedural reform of 2018-19 and, since 2020, the BMZ 2030 reform process that is aligned to the 2030 Agenda for Sustainable Development. The new integrated planning and allocation, featuring annual allocation summits at the level of state secretaries and directors-general, aims to synchronise allocations from different budget lines by drawing together strategic, thematic and regional considerations; special initiatives; climate change investments; and all instruments of ODA. BMZ 2030 is still a work in progress, so it will be important to monitor the full implementation of the reform in headquarters and country offices to determine how well they address inefficiencies in the German system for development co-operation, including complex and lengthy reporting and decision making.

As a former co-chair of the Global Partnership for Effective Development Co-operation, Germany champions development effectiveness, but it will need to ensure that BMZ 2030 starts with partner country ownership and demand-driven, inclusive development partnerships and also extends dialogue beyond the government-to-government negotiations to other stakeholders in partner countries. Overall, Germany's development co-operation is predictable and transparent. With its global partners and bilateral partners in Asia and Latin America, Germany follows a progressive, partnership-oriented approach, testing new ideas and jointly defining co-operation activities where all partners learn. Throughout the COVID-19 crisis, Germany has shown that it can respond flexibly by using its broad range of co-operation instruments. Streamlining lessons and incorporating them into the usual *modus operandi* could further increase the overall flexibility, agility and responsiveness of German development co-operation.

Recommendation

2. As the lead for development co-operation in the federal government and in order to fully implement its policy and 2030 reform process, BMZ should:

- develop a clear strategic vision for German development co-operation, including technical co-operation, across the federal government and implementing organisations
- use the joint procedural reform and BMZ 2030 to drive effectiveness, flexibility and responsiveness to partner countries' needs through reduced internal bureaucracy.

Investing at all levels in gender equality and focusing on leaving no one behind would enhance German development co-operation

Integration of gender equality across development co-operation would benefit from a level of political leadership, financial resources and technical expertise similar to that provided by Germany to environment and climate change. BMZ has an ambitious gender action plan that outlines objectives and measures to be taken in specific sectors and across sectors. Germany places strong emphasis on its support to gender equality and women's economic empowerment, and KfW and DEG are working to apply a gender lens to their investments. Yet, the financial commitment that Germany puts towards gender equality remains below the DAC average. Support to gender equality in line with the BMZ action plan requires systematic attention — from programme design and implementation to monitoring and evaluation — and ensuring that results information and evidence are effectively used to inform and guide future investments.

Poverty reduction and inequality together comprise one of six quality criteria identified in BMZ 2030 and considered in programme preparation and appraisal. In practice, the poverty focus has not been consistent. In some countries — for instance Rwanda, where poverty reduction is stagnating despite high growth rates — Germany is investing in human capital through technical and vocational education and training and non-farm employment. In other countries, poverty and inequality are less of an explicit focus due to other priorities like climate change or reform partnerships. Going forward, it could be useful for Germany to explore how all its instruments including technical co-operation, are best placed to address the critical challenge of leaving no one behind and for Germany to demonstrate how all of its investments, from design to results, are contributing. New strategies on quality criteria such as reducing poverty and inequality and upholding human rights will be drawn up as part of the BMZ 2030 reform strategy and are an opportunity for BMZ to articulate how it intends to apply the criteria across its investments and monitor the extent to which it does so.

Further, although, the volume of bilateral ODA to least developed countries (LDCs) has increased since 2015, it has not grown at the same rate as overall bilateral ODA. Germany provided 0.11% of GNI as ODA to LDCs through bilateral and multilateral channels in 2019, falling short of its international commitment (0.15%). There is a risk that contributions may decrease. Only two LDCs feature in the top 20 recipients of German development co-operation, and the implementation of BMZ 2030 will result in eight fewer priority partner countries in the LDC category. Germany will have to increase its efforts to maintain the current LDC spend.

Recommendations

3. To enable German development co-operation to realise its ambitious gender action plan, BMZ and its partners should invest more in gender equality and women's empowerment, increase human resources for gender equality, and further develop staff capacity.
4. Germany should develop further guidance and more closely monitor the extent to which its investments contribute to reducing poverty and inequality.

Embedding a culture of results and investing more in strategic evaluations would enable Germany to continuously improve its development co-operation

German development co-operation focuses on achieving the 2030 Agenda and the Sustainable Development Goals and aligns with partner country priorities. The use of a results matrix and intervention logic facilitates better design of projects and programmes, links project outcomes to portfolio impacts, and facilitates adaptation to changes during implementation. Enhancements to Germany's integrated data management system and a broader set of quantitative and qualitative indicators are improving communication and accountability. However, Germany's overall development objectives for country, thematic, regional and global programmes are not consistently articulated in ways that can be measured and assessed. BMZ might consider recruiting staff with specialist skills in results-based management to begin to embed a culture of results and support staff in managing for results, ensuring systematic application across German development co-operation.

Recommendation

5. BMZ should deepen its culture of results and systematically apply results-based management across German development co-operation – in particular in country, thematic, regional, and global programmes.

The evaluation capacity of DEval, GIZ and KfW is strong, independent and respected. BMZ and DEval have strengthened their contribution to evaluation within the international community, and BMZ, DEval and GIZ continue to invest in strengthening evaluation capacity in partner countries. However, GIZ and KfW could improve their approach by building institutional evaluation capacity and facilitating local participation, including through the use of participatory evaluation methodologies, in their partner countries. DEval focuses on strategic evaluations of development policies, objectives and instruments while GIZ and KfW commit significant resources to evaluation, primarily of projects and portfolios. BMZ might consider how best to allocate resources for evaluation across the German system: for example, it might consider investing more in systematic evaluation of special initiatives and country, regional and global programmes and of the extent to which thematic and sectoral approaches across all German development actors are achieving more than the sum of their parts.

Improvements in information management, data and IT systems will help to manage knowledge across the German system. Networks exist for managing sectoral and thematic knowledge and learning, but results information, evaluation findings and lessons are not yet disseminated systematically. This limits the ability of individual actors and the overall German development co-operation system to achieve continuous improvement.

Recommendation

6. Germany should continue to invest in building evaluation capacities in its partner countries and invest more in learning from evaluations of special initiatives and its overall investments at country, regional and programme levels.

Current efforts on complementarity would benefit from better delineation of short-term and long-term engagement in crises

Two separate federal ministries, each with different funds and instruments, administer most of Germany's engagement in crisis contexts, which can create additional burden for Germany's partners working in protracted crises and across humanitarian, development and peace sectors. The independence of each ministry is not necessarily an obstacle to coherent engagement in crisis contexts, and efforts to develop joint analysis and joint planning between BMZ and the Federal Foreign Office are commendable. Revising the 2012 guidance that describes the tasks of the Federal Foreign Office and BMZ in fragile contexts in the light of recent policy developments would help Germany and its multilateral and civil society partners to avoid overlaps, but also to actively seek complementarity of Germany's aid in fragile contexts, while preserving the independence of each ministry.

Many of Germany's long-standing partner countries listed in the "bilateral partnership" category are fragile, some of them extremely so, and these countries and contexts benefit from both BMZ's transitional assistance and the Federal Foreign Office's humanitarian assistance. As conflict sensitivity is one of BMZ's six quality criteria and in line with Germany's renewed focus on conflict prevention and building peace, it will be important to make clear that conflict sensitivity or a nexus approach to programming and financing are relevant beyond the ten nexus and peace countries on BMZ's list of partner countries.

Recommendation

7. Building on their respective roles and their increased coherence and co-ordination when engaging in fragile and crisis contexts, BMZ and the Federal Foreign Office should collectively:

- improve the delivery of development and humanitarian objectives by exploiting synergies across the humanitarian, development and peace nexus, amongst others by further advancing the implementation of the relevant Policy on Improving Joint Analysis and Joined-up Planning (GAAP)
- make clear to staff and partners that conflict sensitivity and a nexus approach to programming apply across Germany's portfolio beyond the ten nexus and peace countries on BMZ's list of partner countries.

While locally employed staff are highly valued by Germany and its partners and report high job satisfaction, the system would benefit from their greater involvement

Staff employed locally by German development co-operation actors show high satisfaction with their job situation, feel valued and are motivated to contribute to the goals of German co-operation in their countries. However, use of the German language limits their access to certain documents, training opportunities and communication channels. Maximising the use of the international language of partner countries rather than German in non-official documents would enable Germany to draw on the knowledge and enhance the

contribution of national staff, making German development co-operation more effective, inclusive and participatory.

Recommendation

8. Germany should maximise the use of the international language of partner countries in non-official documents, training and communication to draw on the knowledge and enhance the contribution of national staff.

Germany needs to address challenges

Increasing delegation of authority to embassies and country offices and publishing country strategies remain challenging for Germany, but would demonstrate that it responds to partners' needs

Although additional BMZ staff have been seconded to embassies since the last review, progress towards decentralising German development co-operation, as recommended in the 2010 and 2015 peer reviews, has been slow. Political decision-making occurs at BMZ headquarters, and there are complex communication and feedback loops with German staff in partner countries. Aside from less formal exchanges between BMZ-seconded staff in German embassies and BMZ headquarters, reporting is done formally via diplomatic channels to the Federal Foreign Office, which then shares information with BMZ. GIZ and KfW staff also report back to their respective headquarters, which in turn report to BMZ headquarters. Such a complex internal set-up risks being overly bureaucratic and producing high transaction costs and inefficiencies. While a strength of the German system is the highly qualified staff working for GIZ and KfW in partner countries, they rarely have direct communication channels to contribute to the strategic vision of Germany's development co-operation. Moving decision making closer to staff in country or in regional configurations and rethinking the division of labour between the different German actors could lower the high transaction costs of co-ordination and allow for closer linkages at the political and implementation levels of German co-operation to enhance effectiveness and make Germany even more responsive to partners' needs.

As the second largest bilateral provider, Germany would benefit from clearly and publicly stating its objectives and what it has to offer partner countries. Communicating a clear vision for its development co-operation instruments — from policy loans, grants, technical co-operation, capacity building, and private sector instruments — and systematically sharing up-to-date information with partner countries and stakeholders would increase transparency and accountability to partner country governments and citizens. Further, although Germany ranks first among EU member states for its participation in joint programming, existing (unpublished) country strategies and programming documents do not reflect EU joint programming or implementation, nor is funding of or partnering with multilateral partners reflected. Here, BMZ could play a key role in outlining Germany's overall footprint in partner countries, including contributions to multilateral organisations and EU joint programming, and clearly state in a transparent manner Germany's vision, objectives and results for country engagement, including financial and technical co-operation. Such a mapping exercise would also provide a strong basis for partner countries to make well-informed choices to select from the diverse set of German development co-operation instruments and implementers in line with their national development plans, thus enhancing ownership.

Recommendations

9. Germany should increase the number, seniority and capacity of BMZ staff seconded to embassies, enhancing their contribution to decisions, and enabling them to engage flexibly in development co-operation at country level in a more efficient way.
10. Germany should outline in country strategies its development co-operation objectives in partner countries and transparently share information about these objectives together with other relevant information about the development co-operation activities financed by the German government.

Secretariat's report

1 Germany's global efforts for sustainable development

This chapter looks at Germany's global leadership on issues important to developing countries. It explores Germany's efforts to ensure that its domestic policies are coherent and in line with the 2030 Agenda for Sustainable Development and its work to raise awareness of global development issues at home. This chapter first reviews Germany's efforts to support global sustainable development, assessing Germany's engagement and leadership on global public goods and challenges such as international peace and security, refugees and migration, and climate, environment and resilience, and in promoting global frameworks. It then examines whether Germany's own policies are coherent with sustainable development in developing countries. The chapter concludes by looking at Germany's promotion of global awareness of development and citizenship at home.

In brief

Germany is committed to fair and sustainable globalisation

Trusted and admired, with a strong economy and stable leadership, Germany is well-positioned to influence global sustainable development. Greater use of soft power would increase Germany's ability to influence European and global processes affecting sustainable development.

Germany is strongly committed to the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change. Its leadership of the Group of Seven (G7) and Group of Twenty (G20) generated support for these agreements among the world's strongest economies, and it is actively supporting their implementation. Achieving fair and sustainable globalisation is at the heart of Germany's approach, which recognises that a sustainable Germany has positive impacts on global well-being.

The Sustainable Development Strategy begins with a strong vision, but could be more ambitious in areas such as biodiversity loss, moving from fossil fuels to renewable energy, and circular consumption and production. It could also better integrate the global ecological footprint of German consumption to actively address spillover effects for developing countries. The latest version emphasises intensifying implementation in six essential transformation areas. The institutional architecture for sustainable development could be more effective. Collaboration and consensus are required across government.

Germany promotes global public goods and addresses global challenges. It strives for peace, freedom and security in the world and uses multilateral instruments and joint action to support global health. Germany's response to the dramatic influx of refugees, asylum-seekers and migrants into Europe in recent years contributed strongly to global responsibility sharing and to safe, orderly and regular migration, including by investing in sustainable reintegration.

Germany is committed to coherent policies for sustainable development and has mechanisms in place to support coherence in many policy areas. However, in Germany's decentralised system the autonomous federal ministries and federal states need to collaborate closely to make progress on issues that span policy areas. In addition, ministries have little incentive to identify and address conflicts with sustainable development objectives. There is no single, formal cross-government mechanism to identify, analyse and address potential incoherence in existing and proposed policies and regulations which impact developing countries. The existing institutional mechanisms for addressing incoherent policies could be more effective.

Nonetheless, progress is being made in shared policy areas impacting sustainable development such as the law on human rights due diligence for German companies. Where interests coincide, for example on green hydrogen, federal ministries work together to develop a coherent approach. Commissions of experts and business and civil society stakeholders explore solutions to complex and difficult problems. While Germany is doing well in a number of areas, it could do more to ensure that it limits spillover effects on developing countries.

While development co-operation and helping people in poor countries are important for German citizens, further work is needed to translate positive attitudes into higher levels of engagement. Students in Germany are more aware of global issues than are their peers across OECD countries but they are less willing to take action. Germany's investments in global awareness and development education are turning to the ambitious objective of changing behaviour.

Efforts to support global sustainable development

Germany is well-positioned to influence global sustainable development

Trusted and admired, with a strong economy and stable leadership, Germany seeks to influence European and global processes affecting sustainable development. Germany is strongly invested in multilateralism and a fair and sustainable rules-based international order (BMZ, 2018[1]). It sees its own prosperity, and that of the world, as linked to a successful European Union (EU) that promotes peace and shared values and contributes positively to sustainable development globally.[1]

Greater use of soft power would increase Germany's influence. Germany is recognised for its commitment to sustainable development, with economic, social and environmental dimensions present in its society and political systems (German Council for Sustainable Development, 2018[2]). While it wields considerable economic influence in Europe and beyond, Germany could do more to advance other aspects of sustainable development. Its actions in welcoming refugees in 2015-16 and the early and generous pandemic response (Box 3.1) are examples of Germany's moral leadership. Germany's soft power[2] could be better leveraged, as it was during Germany's recent EU Council presidency, to form and lead coalitions of like-minded states, including within the G7 and G20 outside of its years as president (McClory, 2019[3]; Hillebrand, 2019[4]).

Germany is driving implementation of sustainable development and climate action

Germany is strongly committed to the 2030 Agenda for Sustainable Development and actively drives implementation. It places high importance on the role of the High-level Political Forum in overseeing implementation and led by example, submitting a voluntary national review report to the first forum in 2016 (Federal Government, 2016[5]). Germany recognises the universal applicability of the 2030 Agenda and takes a triple approach to implementation focusing on impacts in Germany; impacts in other countries and on global well-being; and support to other countries through international co-operation (Federal Government, 2016[5]).

Germany supports initiatives facilitating implementation of the Paris Agreement. Germany, with Morocco, initiated the Nationally Determined Contribution Partnership[3] at the United Nations 2016 Climate Change Conference (COP22). It enabled Fiji to preside over COP23 — the first small island developing state to do so — which it hosted in Bonn in November 2017. As G20 president, Germany launched the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions[4] together with Ethiopia, which served as president of the Vulnerable Twenty Group.[5]

German leadership of the G7 and the G20 generated support for the 2030 Agenda and the Paris Agreement among the world's strongest economies. In 2015, the G7 Summit in Elmau committed to achieving "an ambitious, people-centred, planet-sensitive and universally applicable" agenda for sustainable development and an "ambitious, robust, inclusive" climate agreement reflecting evolving national circumstances (G7, 2015[6]). In 2017, G20 leaders resolved to build resilience, improve sustainability and assume responsibility, reflecting the priorities of the German presidency. Nineteen leaders made it clear that the Paris Agreement is irreversible.[6] The Hamburg Update[7] made more visible the collective and concrete actions included in the G20 Action Plan on the 2030 Agenda for Sustainable Development,[8] agreed in 2016 under the Chinese presidency. G20 leaders called for "ambitious and integrated implementation and timely realisation" of the 2030 Agenda (G20, 2017[7]).

Greater ambition and more effective architecture would improve sustainability

Germany's sustainable development strategy has a strong vision but could be more ambitious. The German Sustainable Development Strategy was updated in 2016 to reflect the transformative 2030

Agenda (Federal Government, 2016[8]) and further updated in 2018 (Federal Government, 2018[9]). The latest version, approved in March 2021, emphasises the need to intensify implementation in six essential transformation areas – human well-being and skills, social justice; energy transition and climate protection; circular economy; sustainable building and transport transition; sustainable agricultural and food systems; pollution-free environment. While the strategy strives for a holistic approach across all policy areas (Bundesrechnungshof, 2019[10]), an independent review in 2018 noted that more could be done in areas such as biodiversity loss, phasing out of fossil fuels and moving to sustainable energy, and circular consumption and production (German Council for Sustainable Development, 2018[2]). The German Council for Sustainable Development, which advises government on the strategy, recommends integrating the global ecological footprint of consumption in Germany in order to actively address spillover effects for developing countries.[9]

While sound, the institutional architecture for sustainable development could be more effective. The Federal Chancellery leads on sustainability issues, and oversight, advisory, consultative and cross-government co-ordination mechanisms are in place.[10] In December 2019, responding to the suggestion in the 2018 independent review, the State Secretaries' Committee approved an "Off-Track Report", which detailed indicators where progress was lacking and outlined ways to improve implementation.[11] For 20 of the 65 indicators used to measure implementation of the 2018 version of the sustainable development strategy and that have an international dimension, progress towards targets is inadequate or the gap to targets is widening (Federal Statistical Office of Germany, 2019[11]).

Achieving sustainable development requires collaboration and consensus across all levels of government. Silos between federal ministries and the autonomy and agency of federal states and municipalities under Germany's federal system create challenges (Chapter 4) (Scholz, Keijzer and Richerzhagen, 2016[12]). Actions need to be synchronised across ministries and sustainability embedded in line with policy goals set by the federal government. Germany's holistic approach need not be undermined by the principle of ministerial autonomy (Bundesrechnungshof, 2019[10]) as shown in the approach to Africa, where strong political commitment encourages collaboration and reaching consensus across government. In addition, it is possible to reach agreement between the federal states and the federal government, as seen in June 2019 when the federal states committed themselves to the principles of the German Sustainable Development Strategy for their own policies.

Germany strives for fair and sustainable globalisation

A sustainable Germany impacts global well-being. Domestic actions — such as on energy transition and sustainable supply chains, the national programme for sustainable consumption (Federal Government, 2018[13]), and the German resource efficiency programme[12] — contribute to global well-being (Federal Government, 2016[5]).

Achieving fair and sustainable globalisation is at the heart of Germany's approach. In striving for sustainable and equitable world trade, Germany advocates for sustainable global value chains. Its actions include:

- advocating for the World Trade Organization (WTO) to focus on trade and sustainability; Germany has undertaken research into how this might be achieved and *inter alia* contributes to the EU's participation in the trade and environmental sustainability structured discussions, a follow-up forum to the Friends Advancing Sustainable Trade network in the WTO
- advocating for implementation of human rights and labour, social and environmental standards in global supply chains and EU trade agreements
- establishing the Partnership for Sustainable Textiles to promote sustainable supply chains in the textile sector (BMZ, 2014[14]; BMZ, 2014[15])

- introducing the first voluntary government textile label, the Green Button (*Grüner Knopf*) in 2019. This successful initiative is raising awareness of the importance of sustainable production and changing consumer behaviour (Box 1.1).

In addition, Germany is the only EU member state not to apply voluntary coupled support[13] to sectors undergoing difficulties, as is permitted under the EU Common Agricultural Policy.[14]

Box 1.1. The Green Button (*Grüner Knopf*) label: Supporting sustainable textile production

More than 75 million people work in the textile and garment industry worldwide, the majority of them in developing countries. Production and working conditions for most workers do not meet international environmental and social standards. Health and environmental conditions, safety, terms and conditions, wages, working hours, and workers' ability to organise all need to improve. Many consumers are interested in buying clothing produced sustainably.

In October 2014, Germany established the Partnership for Sustainable Textiles,[15] comprising over 130 members, most of them businesses covering approximately half of the retail textile market in Germany. In 2015, the Ministry for Economic Cooperation and Development (BMZ) launched the German-language website, www.siegelklarheit.de, to provide information about the credibility of environmental and social labels used in the textile industry. In 2019 BMZ established a government-awarded certification label, the *Grüner Knopf*, Green Button, to help consumer make informed decisions when buying sustainable clothes, bedding and other textile products.

To earn the Green Button label, a product must meet 26 social and environmental standards; at the moment, audits are conducted on the cutting and sewing and bleaching and dyeing stages of production, but eventually will cover the entire value chain. in addition to certification of products, participating companies also must comply with 20 due diligence requirements based on United Nations (UN) guiding principles and OECD recommendations (UN, 2011[16]; OECD, 2018[17]). A range of highly credible certification systems is used to demonstrate compliance.[1]

In its second year on the market, Green Button has gained considerable consumer recognition and interest by the textile industry in Germany and abroad. More than one third of German consumers recognise and approve of the label. More than 60 companies are offering Green Button products and the first non-German company was certified in December 2020. At the time of writing several companies, including other European textile producers, were in the auditing process. Approximately 90 million Green Button-certified products were sold in 2020. Green Button is also of increasing importance for the procurement sector, both private and public. Public transport companies, hospitals, police units, hotels and others are using Green Button-certified textiles to underline their sustainability efforts.

Building on the initial pilot phase (Green Button 1.0), further improvements are currently being implemented based on feedback from a public consultation process. Revisions to due diligence requirements for Green Button 2.0 are expected to cover steps towards living wages, further development of grievance mechanisms, policy and reporting, meaningful engagement with affected stakeholders, embedding due diligence within companies, and expanding supply chain management.

1. A list of the 11 systems is available at www.gruener-knopf.de/en/criteria.
Source: BMZ (2020[18]), *The Green Button* (website), www.gruener-knopf.de/en.

Promoting global public goods and addressing global challenges

Germany strives for peace, freedom and security in the world. It served as a non-permanent member of the UN Security Council in 2019-20, prioritising the women, peace and security agenda, disarmament

and non-proliferation, and climate and security (Federal Foreign Office, 2020[19]). Germany situates itself within a strong and united Europe (Konrad Adenauer Stiftung, 2018[20]). Recognising that Europe could do more, the themes of Germany's presidency of the Council of the European Union in 2020 included advocating for a fair, sustainable, stronger and more innovative Europe and a strong Europe in the world (Federal Foreign Office, 2020[21]).[16] Germany's contribution to international peace and security is delivered within the framework of international institutions and structures, for example by engaging in peacebuilding efforts (Chapter 7).

Multilateral instruments and joint action support global health. Germany's support for global health is premised on well-co-ordinated, joint global action to address health needs[17] such as the Global Action Plan for Healthy Lives and Well-being for All, which it initiated in 2018 with Ghana and Norway.[18] Germany focuses on system-oriented engagement where joint, cross-sectoral action can achieve the greatest possible success and aims to work with partners to strengthen alliances and forums at all levels — national, international and multilateral — ensuring coherent action (Federal Ministry of Health, 2020[22]). This approach is an important part of Germany's COVID-19 response, which includes pandemic preparedness and access to vaccinations (Chapter 3, Box 3.1) (OECD, 2020[23]).

Germany's response to the dramatic influx of refugees, asylum seekers and migrants into Europe contributed strongly to global responsibility sharing. In addition to providing international assistance (Chapter 7), it hosted a large number of refugees from 2015 and invested significantly in their integration. While many are now thriving, more could be done to achieve full labour market integration, including training and skills certification (Keita and Dempster, 2020[24]).

As part of its efforts to support safe, orderly and regular migration, Germany invests in sustainable reintegration (Chapter 5, Annex C). Recognising that forced displacement and irregular migration to Europe will continue, during its EU presidency Germany helped move EU member states closer to consensus on an improved European migration and asylum policy (BMI, 2020[25]). Germany's voluntary reporting on the Global Compact for Safe, Orderly and Regular Migration would be strengthened by development of a national implementation plan, as suggested in the Global Compact (UN, 2018[26]).

Policy coherence for sustainable development

Institutional mechanisms for addressing incoherent policies could be more effective

Germany is committed to implementing coherent policies in order to achieve sustainable development and has mechanisms in place to support this in many policy areas. State Secretaries' Committees have been established to co-ordinate on issues ranging from engagement with Africa to hydrogen and sustainable development, with the latter topic supported by a working group of directors. Sustainability impact assessments are required for all legislation.

In a decentralised system with autonomous federal ministries and responsibilities devolved to states, advancing issues that span different policy areas can be challenging. The autonomy given to ministers to manage their policy areas and the non-hierarchical relationship between them lead to a practice of non-interference. While the Federal Chancellery leads on sustainability issues, it has limited power to bring ministries together and ministries have limited incentive to identify and address conflicts with sustainable development objectives. Co-operation and co-ordination is required across federal ministries and agencies, and with the federal states (Scholz, Keijzer and Richerzhagen, 2016[12]) (Bundesrechnungshof, 2019[10]). Even where there is openness, arriving at consensus takes time (Chapter 4). For example, delays enacting the 2019 Climate Action Law resulted from energy, transport and building sector concerns[19] (Wehrmann, 2019[27]).

There is no single, formal cross-government mechanism to identify, analyse and address potential incoherence in existing and proposed policies and regulations. Despite its 42 federal research and development institutes (Federal Ministry of Education and Research, 2021[28]), Germany is yet to undertake systematic analysis of areas of incoherence, as suggested in the 2015 peer review.[20]

Progress is being made in some shared policy areas that impact sustainable development

Where interests coincide, federal ministries have worked together to advance a coherent approach. This may be undertaken jointly or on the initiative of a single ministry, as in these examples:

- Following work by the Ministers for Economic Cooperation and Development, Labour and Social Affairs, and Economic Affairs and Energy, the German government has adopted a draft law on mandatory human rights due diligence for German companies. The supply chain law will require large companies based in Germany to take appropriate measures to prevent human rights violations in their business activities and supply chains[21] (Schenk, Thorhauer and Hubert, 2020[29]). The resulting law could pave the way for a Europe-wide sustainable supply chain framework with positive impacts on labour conditions and human rights in developing countries (Lawton, 2020[30]).
- The emphasis on green hydrogen in Germany's National Hydrogen Strategy (Federal Ministry for Economic Affairs and Energy, 2020[31]) touches on the interests of the Ministry for Economic Affairs and Energy (BMWi), which is responsible for the strategy, and those of the ministries for Economic Cooperation and Development (BMZ); Education and Research (BMBF); Environment, Nature Conservation and Nuclear Safety (BMU); and Transport and Digital Infrastructure (BMVI) and a number of federal states. If produced without competing with renewable energy generation, green hydrogen could contribute to decarbonising energy supplies and could also offer sustainable production and trading opportunities in Germany and developing countries.

Commissions comprising experts and business and civil society stakeholders explore solutions to wicked problems.[22] This approach builds consensus across divergent interest groups and is particularly helpful where the transboundary impacts may not be of concern to domestic stakeholders:

- The Future Commission for Agriculture is a commission of the federal government tasked with developing recommendations and proposals to enable sustainable, i.e. ecologically and economically viable as well as socially acceptable, agriculture in Germany in the future.[23] The Federal Chancellery, the Federal Ministry of Food and Agriculture, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and other federal ministries have the right to attend Commission meetings as non-voting guests.
- A 2019 report by the Commission on Growth, Structural Change and Employment, tasked with developing a broad social consensus around structural changes to energy and climate policy in Germany, (Commission on Growth, Structural Change and Employment, 2019[32]), facilitated a political decision on exiting coal.

More could be done to address spillover effects on developing countries

Germany is doing better than many other countries in a number of areas, as evidenced by its fifth-place ranking on the Commitment to Development Index 2020 (CDI). While it ranks fourth out of 40 countries on trade and fifth on investment and migration, there are nevertheless issues to address in each area — for example, further reducing agricultural subsidies at the EU level, countering money laundering and banking secrecy, and improving international investment agreements (Center For Global Development, 2021[33]).

Joint action, greater coherence and research can help limit spillover effects.

- Fully aligning the proposed **supply chain law** with the UN Guiding Principles and OECD Guidelines will require amendments in a number of areas. Specific obligations apply to companies and their direct suppliers rather than the full range of supply chain actors. Ongoing enforcement of due diligence will require contractual obligations on direct suppliers to cascade throughout supply chains. Achieving this will require greater supply chain transparency.[24]
- Improving **environmental performance** (on which it ranks 14th on the 2020 CDI) and reducing Germany's impact on the climate will require careful engagement with interest groups and greater effort across federal ministries to reduce greenhouse gas emissions and fossil fuel production as well as eliminating fossil fuel subsidies.[25] Reducing agriculture emissions and action on fossil fuel subsidies and production involves a broad group of ministries.[26]
- Germany has ratified all major conventions on **security** (on which it ranks 14th on the 2020 CDI) and has a restrictive and responsible arms export control policy. Nevertheless, Germany could do more to ensure safeguards are in place to eliminate any risks of incoherence with regard to its high volume of arms exports.
- Undertaking more research with developing country researchers and, together with other EU member states, addressing the developmental content of intellectual property rights provisions in free trade agreements would improve its low **technology** ranking of 25th on the 2020 CDI.[27]

Global awareness

German citizens have positive views about development co-operation

Germany's overall investment in global awareness and development education continues to grow, almost doubling from EUR 25 million (USD 27.7 million) in 2015 to EUR 45 million (USD 51.4 million) in 2020 (Federal Government, 2020[34]), principally through financing of the Engagement Global organisation to support and strengthen civil society's commitment to development.[28] The Federal Agency for Civic Education aims to increase participation in society and the democratic process.[29] State governments and municipalities use a variety of approaches to promote global awareness and engagement in the private sector and civil society, among them the partnership between Rheinland-Pfalz and Rwanda[30] and the city of Bonn's commitment to sustainability.[31] A co-ordinated approach to cross-federal, state and local investments could better facilitate action across German society.

Development co-operation and helping people in poor countries are important for Germans. Domestic and European surveys of citizens' attitudes to development co-operation show that some 90% of Germans consider that development co-operation and helping people in developing countries are important.[32] Concern about pandemics has risen recently, with a January 2021 survey reporting this to be the issue of most concern to German respondents (Morini, Hudson and Hudson, 2021[35]).

Students in Germany are more aware of global issues than their peers across OECD countries, but less willing to take action.[33] Students' respect for people from other cultures and positive attitudes towards immigrants are higher than the OECD average. Students can confidently explain why people become refugees and why climate change impacts some countries more than others, but they are less confident than their OECD peers in explaining how emissions affect climate change and how countries' economic crises impact the global economy. German students report taking fewer actions for sustainability and collective well-being than their peers (OECD, 2020[36]).

Awareness and development education could focus more on changing behaviour

A more deliberate focus is needed to encourage behaviour change. In 2017 Germany adopted a National Action Plan to support the UN Educational, Scientific and Cultural Organization Global Action Programme on Education for Sustainable Development. This support is through a national platform, which meets biannually,[34] drawing on expert forums and partner networks and involves BMBF; the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth; BMU; BMZ and representatives of the federal states. While implementation is co-ordinated by BMBF, indicators for monitoring progress are yet to be developed and Engagement Global could have more active involvement (VENRO, 2020[37]). Further research is needed on the effects to date of education for sustainable development on behaviour change in students, and approaches that achieve transformative action might usefully be included (Grund and Brock, 2020[38]).

Further work is needed to translate positive attitudes into higher levels of engagement. Attitude tracking by the Development Engagement Lab indicates that Germany has a more engaged public than France, Great Britain and the United States.[35] However, the majority of the population is categorised as either totally disengaged or only marginally engaged. Increased behavioural engagement[36] during November 2015 coincided with the German population's generous response to the arrival of significant numbers of refugees (Hudson et al., 2020[39]).

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Notes

[1] The grand coalition agreement sets out commitments and goals in foreign policy and migration, among other areas. The 2018 document (in German) is available at the deutschland.de (2018[42]) site at www.deutschland.de/en/topic/politics/coalition-agreement-europe-foreign-policy-and-migration.

[2] Germany ranked third, behind France and the United Kingdom, in a 2019 global ranking of soft power. See https://softpower30.com/wp-content/uploads/2019/10/The-Soft-Power-30-Report-2019-1.pdf.

[3] Countries and international institutions committed to implementing the Paris Agreement leverage resources and expertise to help countries implement their nationally determined contributions and combat climate change. For details, https://ndcpartnership.org/.

[4] For details, see https://www.insuresilience.org/ and https://www.worldbank.org/en/programs/disaster-risk-financing-and-insurance-program.

[5] For details, see https://www.v-20.org/.

[6] The United States at that time had decided to withdraw from the Paris Agreement.

[7] The Hamburg Update is available at https://www.consilium.europa.eu/media/23548/2017-g20-hamburg-upade-en.pdf.

[8] For details, see http://www.g20.utoronto.ca/2016/g20-action-plan-on-2030-agenda.pdf.

[9] For the full set of German Council for Sustainable Development proposals (in German), see www.nachhaltigkeitsrat.de/wp-content/uploads/2020/05/20200513_RNE-Stellungnahme_Nachhaltigkeitsstrategie.pdf. For the Council's 29 October 2020 comments on the draft issued for consultation (also in German), see www.nachhaltigkeitsrat.de/wp-content/uploads/2020/10/20201029_RNE_Stellungnahme_zur_Weiterentwicklung_der_Deutschen_Nachhaltigkeitsstrategie_inkl_Anlage.pdf.

[10] A Parliamentary Advisory Council in the German parliament (*Bundestag*) monitors German and EU strategies. The Council for Sustainable Development advises the federal government. The Science Platform Sustainability 2030 provides scientific expertise, and regular dialogue occurs with interested stakeholders including through an annual Sustainability Forum. All federal ministries have appointed a ministry co-ordinator for sustainable development, and a State Secretaries' Committee chaired by the Head of the Federal Chancellery is responsible for co-ordinating the strategy and ensuring that it is applied to all policy areas at national level.

[11] For a copy of the State Secretaries' Committee decision (in German), see https://www.bundesregierung.de/resource/blob/998006/1707716/546f0f04769370386d4c603786826458/beschluss-sts-ausschuss-12-2019-trackoff-data.pdf?download=1.

[12] For an overview of the German Resource Efficiency Programme, see www.bmu.de/en/topics/economy-products-resources-tourism/resource-efficiency/overview-of-german-resource-efficiency-programme-progress/.

[13] In the Common Agricultural Policy 2014-20, voluntary coupled support offers EU member states the choice to allocate subsidies to sectors or regions under a set of specific conditions. Such support may be granted to create an incentive to maintain current levels of production in the sectors or regions concerned. For additional information, see www.oecd-ilibrary.org/agriculture-and-food/agricultural-policy-monitoring-and-evaluation-2020_928181a8-en.

[14] Additional measures taken by Germany are included in the report of Germany's 2018 mid-term review. See OECD (2018[44]) at www.oecd.org/dac/peer-reviews/Germany-2018-Mid-term-review.pdf.

[15] For details, see https://www.bmz.de/en/issues/textilwirtschaft/textilbuendnis/index.html.

[16] During its EU Council presidency, Germany gained member states' agreement to a new seven-year budget as well as to borrowing collectively for a pandemic recovery fund and cutting greenhouse gas emissions 55% by 2030. See (Pitchers, 2020[43]) at www.euronews.com/2020/12/22/how-did-merkel-fair-in-german-s-last-eu-presidency-with-her-as-chancellor.

[17] Priorities include universal health coverage, global health security, universal access to sexual and reproductive health and rights, and responses to zoonotic diseases (such as COVID-19), Ebola and neglected tropical diseases. For additional detail, see the Federal Ministry of Health website at www.bundesgesundheitsministerium.de/en/international/global-health-policy.html.

[18] The Global Action Plan for Healthy Lives and Well-being for All encourages 12 multilateral health, development and humanitarian agencies to improve co-ordination to better support countries in accelerating progress towards the health-related Sustainable Development Goals. For more information, see www.who.int/initiatives/sdg3-global-action-plan/about.

[19] The draft law proposed giving the environment ministry power to amend laws which impact climate policy but which other ministries hold responsibility for.

[20] While research is undertaken by institutes linked to specific federal ministries, this typically focuses on actions of the responsible ministry rather than possibilities for cross-ministerial action.

[21] Starting in 2023, the law would apply to companies with more than 3 000 employees and from 2024 to companies with more than 1 000. Small and medium-sized companies are not directly affected by the law. Germany would therefore comply in part with the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

[22] So-called "wicked problems" lack a clear problem definition and can be viewed differently by different stakeholders. Among their characteristics are that they are complex, difficult to solve, involve interdependencies, and their solution is not right or wrong but better or worse. See Rittel and Webber (1973[41]) at https://link.springer.com/article/10.1007/BF01405730#citeas.

[23] The Commission aims to integrate animal welfare, biodiversity, climate and environmental protection with food security and economic viability. For more information, see www.bmel.de/SharedDocs/Pressemitteilungen/DE/2020/120-einsetzung-zukunftskommission-landwirtschaft.html (in German).

[24] The former UN Secretary-General's Special Representative for Business and Human Rights and author of the UN Guiding Principles on Business and Human Rights has welcomed elements of the draft law and suggested a number of areas to address inorder to closely align the law with the guiding principles. For details, see https://shiftproject.org/wp-content/uploads/2021/03/Shift_John-Ruggie_Letter_German-DD.pdf.

[25] Agriculture is the second largest emitter of greenhouse gases in Germany after the energy sector. In rural areas, biodiversity is endangered by intensive, industrial farming, according to the German Environment Agency (2018[40]). For details, see www.umweltbundesamt.de/en/topics/environment-agriculture-overview-for-germany.

[26] The Federal Ministry of Food Security and Agriculture (BMEL), for Environment, Nature Conservation and Nuclear Safety (BMU), for Economic Affairs and Energy (BMWi), of Transport and Digital Transformation (BMVI) and of the Interior, Building and Community (BMI) all have interests in these areas.

[27] For further information, see the German country page. at www.cgdev.org/cdi#/country-report/germany.

[28] For information about the range of programmes on offer, see www.engagement-global.de/overview-of-programmes.html.

[29] The agency was established in 1952 to educate Germans about democratic principles and prevent any moves to re-establish a totalitarian regime. Its focus has broadened since including outreach to foreigners in Germany and a programme on integration of immigrants living in the country. For more information see www.bpb.de/die-bpb/138852/federal-agency-for-civic-education.

[30] The relationship between Rheinland-Pfalz and Rwanda dates back to 1982 and involves partnerships between municipalities, schools and vocational training centres, and associations. For more information, see https://www.rlp-ruanda.de/en/home/.

[31] Bonn, dubbed the German United Nations City, has a long-standing commitment to sustainability (see https://www.bonn.de/microsite/en/international-profile/sutainability-cluster/index.php), presenting its fifth sustainability report in February 2020. As part of North Rhine-Westphalia's response to implementing the 2030 Agenda and its 17 Sustainable Development Goals (SDGs), in 2019 Bonn's city council adopted a Sustainability Strategy. Bonn's first SDG Report covers mobility, climate and energy, natural resources and environment, labour and business, social participation and gender, and global responsibility and One World. See www.bonn.de/microsite/en/Voluntary-Local-Review-Bericht-englisch.pdf.

[32] The 2019 Eurobarometer report on citizens and development co-operation found that 92% of Germans surveyed say that helping people in developing countries is important, with 52% saying it is very important: https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/SPECIAL/surveyKy/2252. Using data from the Development Engagement Lab, the German Institute for Development Evaluation found that some 90% of citizens surveyed classify development co-operation as important and about 70% are in favour of greater government engagement in combating global poverty. The Institute report is available at www.oecd.org/derec/germany/Monitor-development-policy.pdf. Information about the Development Engagement Lab can be found at https://developmentcompass.org/about/development-engagement-lab.

[33] Results are drawn from the 2018 cycle of data collection among 15-year-olds for the Programme for International Student Assessment, which assessed the global competences needed to live in an interconnected and changing world.

[34] For information about the platform and its implementation structures, see www.bne-portal.de/en/gap-implementation-structures-in-germany-1876.html.

[35] The attitudes tracker segments the public into five groups: totally disengaged, marginally engaged, informationally engaged, behaviourally engaged and fully engaged.

[36] Eighteen actions are tracked including reading, watching or listening to a news article; using social media to impact an issue; donating to and fundraising for an organisation focused on an issue; purchasing or boycotting products or services related to an issue; organising or helping to start a community or an organisation focused on an issue; and contacting a member of parliament or an elected official about an issue. The more costly the action, the greater the engagement. For more detail, see Hudson et al. (2020[39]) at http://dx.doi.org/10.1080/09614524.2020.1801594.

2 Germany's policy vision and framework

This chapter assesses the extent to which clear political directives, policies and strategies shape Germany's development co-operation and reflect its international commitments, including the 2030 Agenda for Sustainable Development.

The chapter begins with a look at the policy framework guiding development co-operation, assessing whether Germany has a clear policy vision that aligns with the 2030 Agenda and reflects its own strengths. It examines whether Germany's policy guidance sets out a clear and comprehensive approach, including to poverty and fragility. The final section focuses on the decision-making basis, i.e. whether Germany's policy provides sufficient guidance for decisions about where and how to allocate its official development assistance.

In brief

Germany's development co-operation policy is in line with the 2030 Agenda and the Paris Agreement, has sustainability at its core, and is accompanied by strategies to put it into action

The Federal Ministry for Economic Cooperation and Development (BMZ) 2018 policy for development co-operation is centred on the 2030 Agenda and the Paris Agreement on climate change and encompasses all the ministry's development co-operation activities. BMZ's Marshall Plan with Africa, reform partnerships with six African countries, and new investment fund show how it has refocused its development co-operation towards the African continent. Development co-operation sits firmly within Germany's political and strategic priorities and is backed by strong political leadership and a dedicated development ministry and resources, but there is no overall vision binding German development actors, beyond BMZ.

The BMZ 2030 strategy operationalises its *Development Policy 2030*, allowing for a long-term focus on global public goods and German expertise, as well as shorter-term political initiatives that are coherent with the 2030 Agenda. This includes reducing the number of partner countries from 85 to 60 and concentrating thematic priorities in five core areas. The strategy includes six cross-cutting quality criteria. Once fully implemented, the BMZ 2030 reform process could offer a modern, less fragmented and more streamlined narrative that speaks to German development co-operation's comparative advantage. Germany is enhancing the application of its quality criteria and should continue to strengthen its focus on poverty, inequality, gender equality and women's empowerment.

Bilateral financial and technical co-operation flows directly from the thematic and political priorities of BMZ, with dedicated budget lines for four special initiatives. The "global partners" category in the BMZ 2030 strategy formalises Germany's engagement in the protection of global public goods with eight emerging economies. Germany is clear in its multilateral strategy that its main goal is to reaffirm the multilateral order and make them more effective, anchoring political priorities where relevant.

A broad range of stakeholders are involved in development co-operation, and Germany could continue to build on this strength to engage more in inclusive partnerships and multi-stakeholder consultations.

Framework

Germany's development co-operation is centred on the 2030 Agenda and the Paris Agreement

In 2018, BMZ's Development Policy 2030 built upon the 2014 Charter for the Future, recalibrating development policy in line with the 2030 Agenda and the Paris Agreement on climate change. The primary aims of Germany's development co-operation remain to overcome hunger and poverty; implement the 2030 Agenda and achieve the 17 Sustainable Development Goals (SDGs); and address climate change in line with the Paris Agreement (BMZ, 2018[1]). *Development Policy 2030* exists alongside Germany's Sustainable Development Strategy, which was updated in March 2021 and cites people, planet, prosperity, peace and partnership as the guiding principles of German development co-operation (Federal Government, 2018[2]). The 2018 policy further envisages integrated and holistic country portfolios that

provide strategic direction (as proposed in the 2015 peer review), are negotiated with partner countries, and explain why German development co-operation is committed in the long term to specific priority areas and fields of action.

Development co-operation sits firmly within Germany's political and strategic priorities and is backed by strong leadership and a dedicated development ministry and resources. While the German Sustainable Development Strategy includes development co-operation and is steered by a Committee for Sustainable Development represented by state secretaries, there is no overall vision or structure bringing together all German development actors as exists for example with Germany's policy towards Africa, which has strong political leadership (Chapter 4). The 2018 government coalition agreement calls for an increase in the volume and effectiveness of official development assistance (ODA) investments, including the four special initiatives defined in the BMZ (2018[1]) 2030 policy: ONE WORLD – No Hunger; tackling the root causes of displacement and re-integration of refugees; stability and development in the Middle East and North Africa (MENA) region; and training and job creation. While Development Policy 2030 recognises the broad range of German government entities, non-state actors and international partners engaged in development co-operation, it is still a BMZ document. As such, it is difficult to translate the policy into action by and co-ordination with other ministries (Chapter 4).

Since 2017, Germany has refocused its development co-operation towards Africa. Germany's high-level political commitment to Africa, and its aim to boost economic development and job creation there, recognise that a fast-growing population of 1.2 billion, half of whom are under the age of 25, presents both opportunities and challenges. Germany's objectives are articulated in the BMZ's Marshall Plan with Africa and the reform partnerships with six African countries – both reflected in the BMZ's development policy 2030, and in its new investment fund (Box 2.1).

Box 2.1. Germany's refocusing on Africa

BMZ's Marshall Plan with Africa and reform partnerships

Germany initiated the Compact with Africa initiative[1] during its G20 presidency in 2017 to promote private investment in Africa. Twelve countries have since joined the initiative: Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia.

In 2018, BMZ launched its Marshall Plan with Africa,[2] a paradigm shift marked by a policy priority on job creation and by the means of reform partnerships. Today, reform partnerships[3] with six African countries (Côte d'Ivoire, Ethiopia, Ghana, Morocco, Senegal and Tunisia) aim to focus on joint sustainable economic co-operation, moving away from the concept of donor and recipient countries.

In 2019, the Federal Government, under the leadership of the Foreign Office developed Africa policy guidelines to ensure coherence among the different German federal ministry initiatives (Federal Government, 2019[3]). Pro! Africa is one such initiative of BMWi to promote foreign trade and investment for Africa.

A **new development investment fund** with a focus on Compact with Africa countries, to be provided with up to EUR 1 billion by end of 2021, comprises:

- AfricaConnect[4] – Resources to improve financing opportunities for German and European small and medium-sized enterprises (SMEs) and promote employment and sustainable economic growth
- AfricaGrow[5] – Funding as equity and risk capital, to finance African SMEs and start-ups to promote innovation, employment and sustainable economic development

- An African business network[6] – Support to German enterprises with information and advice on African markets in several stages.

The refocusing on Africa has led to a considerable and welcome increase in ODA to the continent (Chapter 3). In Tunisia, for example, the reform partnership has brought an influx of German development co-operation. The focus had been more on economic reform. Complementary efforts through the Special Initiative on Training and Job Creation and AfricaConnect have helped set up a business facility desk at the German Tunisian Chamber of Industry and Commerce to facilitate German and European investments in Tunisia's automotive and aviation industries. Germany also helps build capacity of Tunisian SMEs and has invested equity via TunInvest Croissance.

Working with other partners is essential. In Tunisia, aligning behind a joint reform programme helped consolidate the numerous other reform initiatives underway and achieve some level of harmonisation. As the European-African partnership also evolves, it will be important to see how German and European initiatives might complement or reinforce one another. The new development investment fund is an example of how co-ordination with other development finance institutions and multilateral development banks can reinforce existing initiatives. In line with the African Union's Agenda 2063 and in support of the African Continental Free Trade Area, Germany might more systematically involve its broad range of partners and instruments to gradually move away from a donor mindset to one that is more about dialogue, sharing knowledge and co-creating.

The BMZ 2030 reform strategy provides a long-term focus on global public goods and German expertise, allowing for new political initiatives that are consistent with the 2030 Agenda

The BMZ 2030 reform strategy, or BMZ 2030, operationalises the ministry's Development Policy 2030. The focus of the reform strategy, which began in 2019 and is still ongoing, is to move away from an emphasis on ODA spending and towards enabling Germany to make a difference in a globalised world, including through some of the recent special initiatives and BMZ's strong advocacy at national and European Union (EU) level to achieve fair and sustainable globalisation. An example is the so-called "supply chain law" (Chapter 1). The reform strategy responds to identified challenges such as lack of focus and prioritisation, and overly bureaucratic procedures.

BMZ 2030 reduces the number of priority partner countries by 29%, from 85 to 60. The strategy sets out criteria for the selection of partner countries using these categories: 42 bilateral partners (of which six are reform and seven are EU transformation partners); 8 global partners (to work on issues defining a common global future and protecting global goods); and 10 nexus and peace partners (to tackle the structural causes of conflict and displacement and provide support in peacebuilding). The strategy also explains Germany's plans to phase out of bilateral co-operation in partner countries and in certain sectors. As it considers how to exit responsibly from partner countries, Germany could draw on the exit experiences of other OECD Development Assistance Committee (DAC) members[7] and its own experience phasing out of traditional bilateral development co-operation, such as from the People's Republic of China (hereafter, China). Today, BMZ co-operates with China through a strategic partnership focusing on the protection of global public goods. Through the federal ministries of Economic Affairs and Energy (BMWi) and Environment, Nature Conservation and Nuclear Safety (BMU), Germany tested out new projects on climate policy and economic exchanges, forming a strong Sino-German foundation for intergovernmental co-operation on cybersecurity, mobility, emissions trading and energy transition that persists to this day (Giehler, 2020, p. 65[4]).

The BMZ 2030 reform process is in the early stages of concentrating German development co-operation from 11 thematic priority areas to 5 core areas and integrating 6 cross-cutting quality criteria. Initiative areas (currently ten) allow for a time-bound focus on specific development issues.

Thematic strategy papers for each of the five core areas will build on existing allocations and set out political and development objectives and a choice of instruments. BMZ is currently working to update strategy and guidance documents. Country strategies will in turn draw on thematic strategy papers. At country level, activities are already folding into fewer sectoral "blocks" in view of BMZ 2030. The new integrated planning and allocation system will prioritise a thematic approach to which regional and country strategies will be closely linked. It will be important for Germany to manage the tension between the new system and the needs-driven approach it puts forward in its 2018 development policy, which values country ownership (Chapter 4). As it develops its new country strategies with fewer focus areas on this basis, Germany has an opportunity to rationalise German development co-operation in partner countries and determine the objectives to which it aims to contribute, while remaining flexible and responsive to the needs of its partners (Chapter 6).

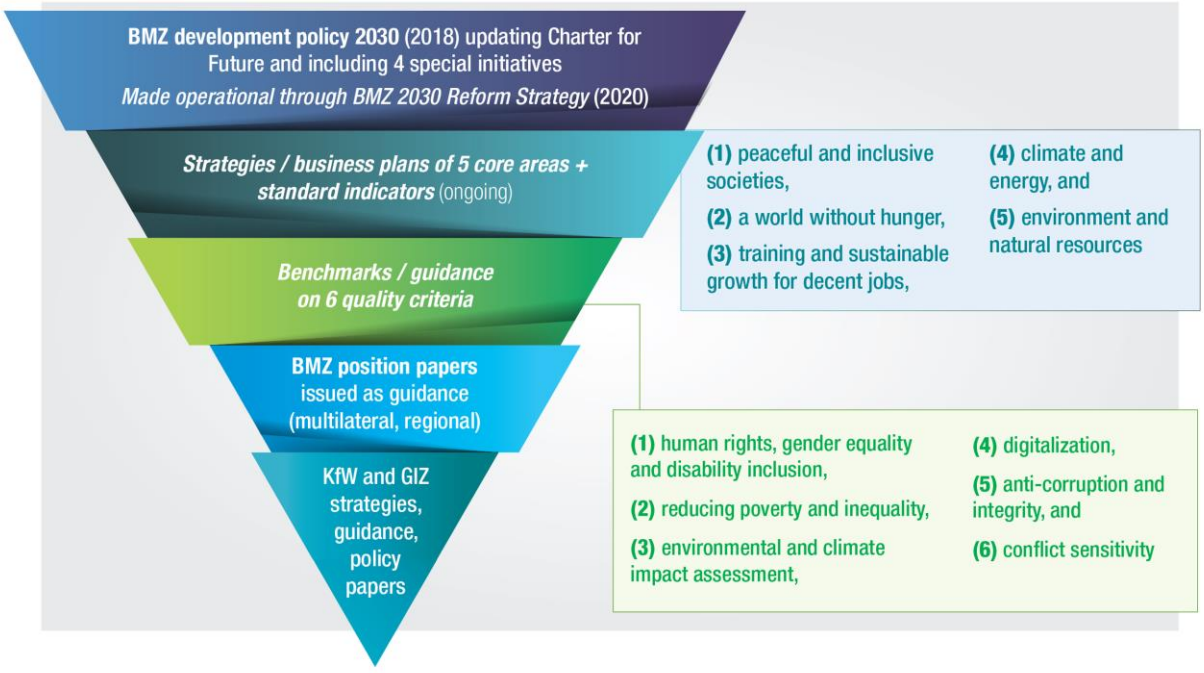
Principles and guidance

Guidance on cross-cutting issues is made available, but Germany should assess the impact of programmes on the wide range of quality criteria

At the heart of Germany's 2018 development policy is a three-dimensional approach to sustainable development: balancing economic, environmental and social policies and priorities; managing the trade-offs; and linking climate change adaptation and mitigation investments with poverty reduction. The policy recognises a wide range of areas and cross-cutting issues and focuses on aspects that a future-oriented development policy needs to address. These include demographic trends, resource scarcity, climate change, digital technology and interdependence, and displacement and migration. To address some of these challenges, BMZ's development co-operation aims to help prevent crises, manage conflict and build peace. The BMZ 2030 policy explicitly refers to the short, medium and long-term investments Germany makes in fragile contexts (Chapter 7A). The policy includes ten focus areas that are now superseded by the five core areas in the BMZ 2030 reform strategy.

Germany does not clearly set out how these different themes and cross-cutting issues form an overarching, comprehensive approach. The linkages between these will have to be made quite clear in the business plans and standard indicators that are being developed for each core area under BMZ 2030.[8] This will be particularly important for the six cross-cutting quality criteria (Figure 2.1). Broadly speaking, BMZ sets out the overarching development co-operation policy through strategy documents that are binding for its implementing partners such as Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW Development Bank (KfW).

Figure 2.1. Hierarchy of BMZ policies and papers



Source: Authors' illustration.

Germany has the political clout, financial resources and technical expertise to lead globally in the core (and cross-cutting) area of climate change and the environment. As an example of how different papers complement each other, BMZ and BMU outlined their co-operation with developing countries and emerging economies on the protection of biodiversity in a joint paper, emphasising their commitment in support of the Convention on Biological Diversity (BMZ/BMU, 2018[5]). To illustrate just one part of this co-operation, GIZ has seven different global biodiversity projects commissioned both by BMZ and BMU, and KfW recently expanded its green credit lines to Africa via the Eco-Business Fund,[9] which it founded in 2014 to encourage sustainable economic development and the protection of biodiversity (KfW/BMZ, 2019[6]).

Quality criteria feature across Germany's portfolio, but cross-cutting themes will need to be applied systematically across all interventions and their intended impact carefully monitored. Good governance, anti-corruption and integrity are central to Germany's reform partnerships (Box 3.1). Digitalisation is a growing field (Chapter 4), and BMZ's new strategy on transitional development assistance emphasises resilience and sets out a clear path to achieving impact (Chapter 7A). The next section reflects on two additional quality criteria.

Germany should continue to invest at all levels in gender equality and poverty reduction and inequality

The approach to gender equality and women's empowerment has been three-pronged: dedicated support, mainstreaming and dialogue. BMZ has an ambitious gender action plan that outlines objectives and measures to be taken in specific sectors and across sectors (BMZ, 2016[7]). A 2017 corporate GIZ evaluation of gender equality recommended incorporating findings into project design, conducting better reporting on intended and unintended effects on gender equality, and introducing gender equality into the policy for locally hired personnel (GIZ, 2017[8]). The 2019 GIZ gender strategy takes many of these

recommendations into consideration (GIZ, 2019[9]). Germany places the strongest emphasis on its support to gender equality and women in the economic empowerment space: KfW, for example, has started to apply a gender lens to investing and Germany is the largest donor of the Women Entrepreneurs Finance Initiative, known as We-Fi.[10] As of 2019, however, the volume of ODA focused on gender equality remains below the DAC average (Chapter 3). To fulfil its ambition, Germany should continue to invest in broad commitment to the agenda, demonstrable impact on development outcomes, and staff capacity.

Poverty reduction and inequality together comprise one of six quality criteria considered in programme preparation and appraisal. Germany introduced a poverty marker in 2015 that it may update to also encompass inequality. Germany also is investing in conceptualising and reducing inequality via a global project with Namibia, South Africa and Viet Nam.[11] In practice, the poverty focus has not been consistent. In some countries — for instance Rwanda, where poverty reduction is stagnating despite high growth rates — Germany is investing in human capital through technical and vocational education and training and non-farm employment. In other countries, poverty and inequality are less of an explicit focus due to other priorities like climate change or the reform agenda. Going forward, it could be useful for Germany to explore how all its instruments including technical co-operation, which made up 16% of gross bilateral ODA in 2019, are best placed to address these critical challenges and for Germany to demonstrate how all of its investments, from design to results, are contributing to SDGs 1 and 10.

Basis for decision making

Germany presents a clear rationale for how to engage at different levels

Bilateral financial and technical co-operation flow directly from the thematic and political priorities of BMZ, with dedicated budget lines for the four special initiatives. The 2018 development policy bases bilateral partnerships on the development needs of countries, relevance to implementation of the 2030 Agenda, the significance of the German contribution and division of labour with other development partners, and establishing clear financial targets. Prior to the introduction of BMZ 2030, target numbers were assigned for six priority areas.[12]

Germany uses intergovernmental consultations and negotiations with partner countries to put its policy into practice (Chapters 4 and 5). Going forward and as comprehensive country strategies are developed, it will be important to be clear about whether the more concentrated priorities result in improved overall country allocations, a continuation of what is already being done or the topping up of the existing country allocation, as is the case for reform countries. Recently, embassies have started to facilitate the co-ordination of activities implemented by regional and global programmes with partner governments, as seen in the intergovernmental negotiations with Rwanda (Annex C); although these are managed by regional desks, there is the risk that they are disjointed from bilateral co-operation and the special initiatives (Annex C).

Germany is clear that its goals are to reaffirm the multilateral order, advance specific policy priorities and improve the performance of multilateral organisations. It has a clear rationale for when to use European Union and multilateral partners. Germany's decision to back the Green Climate Fund and the Asian Infrastructure Investment Bank both politically and financially is consistent with its logic of promoting a resilient environment and climate as a global public good. Similarly, it is internationally important to Germany that it upholds a European view. Germany saw its political commitment to Team Europe's joint COVID-19 response in developing countries and the common messaging within and across EU member states as critical for their success.

The "global partners" category in the BMZ 2030 reform strategy formalises Germany's engagement in protecting global public goods with eight emerging economies (Brazil, China, India, Indonesia, Mexico, Peru, South Africa, and Viet Nam). Germany's pursuit of clean and sustainable energy; its work

to promote social and labour standards in the textile and garment sectors across Asia (OECD, 2018[10]); and its efforts to ensure equitable access to vaccines are just a few of the ways the German government as a whole works with global partners, including through more systematic use of triangular co-operation (Chapter 5).

German development co-operation is provided by a diverse group of autonomous partners and members of civil society

Germany principally implements its government-to-government development co-operation through its own government-owned technical co-operation agency (GIZ) and development finance institution (KfW), as discussed in further detail in Chapters 3 and 4. However, one of Germany's more unique strengths is its diverse landscape of autonomous development partners committed to contributing to achieving the 2030 Agenda in partner countries. The pandemic has thrown into relief how important it is to increase collaboration across a diverse group of stakeholders, not only to mobilise additional resources to help achieve ambitious goals but also because better co-ordination and more innovative approaches are required to meet the SDGs.

The broad range of stakeholders involved in development co-operation could achieve much more if they were to form more inclusive and multi-stakeholder partnerships. Germany values the autonomy of its political foundations, church and civil society organisations (CSOs), federal states and municipalities, research and evaluation institutes, other non-governmental organisations (NGOs), and private sector partners. These actors bring strong development co-operation expertise, complement federal funds with their own resources and are committed to implementing the 2030 Agenda. BMZ could maximise Germany's contribution to development co-operation by facilitating a "whole of Germany" approach, drawing on the expertise of other stakeholders to add to and complement the government's interventions. By doing so Germany's achievements would be greater than the sum of the parts of individual stakeholders' efforts (Chapter 5).

Germany's support for German civil society and political foundations is based on the principles of autonomy and subsidiarity, and the view that CSOs are actors in their own right (OECD, 2020[11]). German CSOs are divided into three groups: German political foundations; small and medium-sized development CSOs, including 12 social development organisations; and two big church-based development organisations linked to the Protestant and Catholic churches. Political foundations work to strengthen parliaments, political parties and an independent judiciary and support an enabling environment and space for civil society, as seen in their important work in Rwanda with trade unions and in Tunisia (Chapter 5, Annex C).

In line with BMZ's Development Policy 2030 and its cross-government efforts to promote sustainable value chains, BMZ and BMWi are collaborating to incentivise more private sector involvement. They are doing this by:

- establishing the Agency for Business and Economic Development in 2016 as a one-stop shop for business investments in developing countries that is implemented by GIZ and DEG
- building on the existing develoPPP.de programme[13] to incentivise private-public partnerships, with the private sector providing at least 50% of funding topped by BMZ funds
- working with DEG and KfW in setting up (structured) funds to encourage companies to invest in high-risk countries. One example is the framework of the Federal Government's Development Investment Fund, the AfricaGrow initiative to encourage companies to invest in high-risk countries, with a focus on start-ups in Africa, and matching private and public funds — a mechanism that private sector representatives see as essential to their engagement in some African countries (Box 2.1)
- issuing export credit guarantees (Hermes) and investment guarantees

- developing the Africa Business Network as the third pillar of the Federal Government's Development Investment Fund (Box 2.1) to provide tailor-made advisory and support services for German companies accessing African markets
- providing capacity development to support building up business associations in partner countries and working closely with German business associations, e.g. the German Tunisian Chamber of Industry and Commerce (Annex C).

While appreciating and respecting the diversity and autonomy of its partners to select where and in what sectors they operate, Germany is able to steer activities towards political priorities. By launching thematically focussed programmes through the Service Agency Communities in One World, which provides advisory services and support to municipalities. For example, BMZ steers activities towards sectors that are a political priority and fall within the competence of the actors concerned. Similarly, increased funding opportunities related to special initiatives, such as to strengthen climate action in partner countries, have increased activities in the civil society area. There are no special incentives to work in specific geographic regions or categories of countries beyond the MENA region.

The diversity of autonomous German actors in the development co-operation landscape may at times result in compartmentalised partnerships of civil society with political foundations, regional and municipal governments, and church NGOs. A joint country strategy defined by more regular, structured dialogue and co-operation (where relevant) between CSOs, federal states and municipalities, and the federal government on official policy, planning and delivery (similar to the consultation with civil society on the Africa policy guidelines) could enable the government to draw on actors' expertise, partnerships, evidence and networks in partner countries to ensure a more direct link to the needs and desires of citizens in developing countries.

Multilateral co-operation

The 2019 multilateral strategy sets out three clear goals that facilitate a coherent, whole-of-government approach to engaging in governing boards and at country level (BMZ, 2020[12])**.** The goals include preserving a rules-based global order and making it more just, improving the performance of multilateral organisations by making them more transparent, efficient, effective and coherent, and anchoring political priorities even more firmly at the multilateral level. Germany is clear about when to use multilateral partners to advance specific policy goals, for example in the areas of health, climate change and energy. Germany's four special initiatives are built around a global, multilateral dynamic. Beyond its substantial allocations to multilateral organisations (Chapter 3), Germany also supports the legitimate lead of multilateral institutions in policy development. Germany works to ensure that its board-level representation in multilateral organisations reflects country perspectives by engaging field offices to comment on relevant documents. Germany could also include its contributions to multilateral partners in its country strategies. Such initiatives are a good way of ensuring coherence between Germany's bilateral and multilateral engagements. Through its active participation and leadership in the Multilateral Organisation Performance Assessment Network, Germany demonstrates its strong support for joint efforts to improve the effectiveness of the multilateral system.

Despite some rigidities in the system, multilateral partners appreciate Germany's political backing, strong technical expertise and generosity. Germany has broadened its partnerships to include the Asian Infrastructure Investment Bank, where it has provided strong political backing and technical co-operation. Its most important multilateral partners by far are European Union institutions. Germany recently increased core contributions to UN funds and programmes and holds annual strategic dialogues with these partners; however, it does not offer predictability on core funding beyond the current year. Similar to NGOs that implement both Germany's humanitarian and development assistance, multilateral organisation representatives speak of cumbersome and time-consuming accountability requirements linked to the Federal Budget Law, although Germany and its partners have recently found ways to manage these.

Germany has plans to use mainly multilateral channels for health and basic education investments. The effort behind BMZ 2030 to concentrate on fewer partner countries and sectors may offer opportunities for different types of partnerships as Germany responsibly transitions out of bilateral co-operation in a number of countries.

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Notes

[1] For details, see https://www.compactwithafrica.org/content/compactwithafrica/home.html.

[2] For details, see https://www.bmz.de/en/countries_regions/marshall_plan_with_africa/index.html.

[3] For details, see https://www.bmz.de/en/countries_regions/marshall_plan_with_africa/contents/chapter_02/01/index.html.

[4] For details, see https://www.deginvest.de/Unsere-L%C3%B6sungen/AfricaConnect/index-2.html.

[5] For details, see https://africagrow.allianzgi.com/.

[6] For details, see the Africa Business Guide website at https://www.africa-business-guide.de/abg-de/.

[7] Belgium, Denmark, the Netherlands and the United Kingdom have conducted evaluations that look at the effect of exiting partner countries.

[8] The BMZ 2030 reform strategy, published in 2020, consolidates these into five core areas: peaceful and inclusive societies; a world without hunger; training and sustainable growth for decent jobs; responsibility

for our planet — climate and energy; and protecting life on Earth — the environment and natural resources. Health and basic education will be dealt with more bilaterally.

[9] For information about the Eco-Business Fund, see its website at https://www.ecobusiness.fund/en/.

[10] More information about the Women Entrepreneurs Finance Initiative can be found at its website at https://we-fi.org/.

[11] The global project is called “reducing inequalities worldwide” and is described on the GIZ website at https://www.giz.de/en/worldwide/85796.html. Germany also played a key role in setting up Cambodia’s multidimensional poverty index, ID-Poor. GIZ produced a primer on targeting different types of poverty in 2017 and a poverty and inequality diagnostics tool in 2020, although it is not clear that other parts of German development co-operation refer to this tool. The primer and the diagnostics tool are available at (GIZ, 2017[13]), https://www.giz.de/en/downloads/PovertyTargeting_Primer_FullVersion_2019.pdf, and (GIZ, 2020[14]) https://www.poverty-inequality.com/wp-content/uploads/2020/08/GIZ-Poverty-Analysis-Tool-PAT.pdf, respectively.

[12] The six areas are climate, rural development and food security, education, maternal and child health, biodiversity, and aid for trade.

[13] For details, see https://www.bmz.de/en/issues/wirtschaft/privatwirtschaft/ppp/develoPPP/index.html.

3 Germany's financing for development

This chapter looks at Germany's official development assistance (ODA) figures including the overall level and components of aid, the level of bilateral and multilateral aid, and geographic and sector allocations of bilateral aid. It also examines Germany's efforts to mobilise finance other than ODA for sustainable development in line with commitments in the Addis Ababa Action Agenda and the emerging concept of total official support for sustainable development. The chapter begins with a review of Germany's ODA volumes and its efforts to meet domestic and international ODA targets. It then discusses the extent to which Germany allocates bilateral aid according to its statement of intent and international commitments and examines the effectiveness of Germany's use of multilateral aid channels. The chapter concludes with a review of financing for sustainable development and how Germany promotes and catalyses development finance other than ODA.

In brief

Germany's ODA volume and allocations reflect its commitments and special initiatives in support of the 2030 Agenda

Germany is the second largest DAC donor, providing USD 28.4 billion, or 0.73% of its gross national income (GNI), as official development assistance (ODA) in 2020. Germany has demonstrated global solidarity in its commitment to environmental protection and employment creation and its response to the negative effects of the COVID-19 pandemic in developing countries. While committed to meeting the target for ODA to least developed countries (LDCs), Germany does not yet provide 0.15% of GNI as ODA to LDCs. It will need to monitor this as it focuses its bilateral co-operation on fewer countries in this category.

Loans represent 23% of Germany's gross bilateral ODA and are extended almost exclusively to middle-income countries. Technical co-operation constitutes 16% of its bilateral grant disbursements, implemented almost exclusively through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Germany meets the DAC recommendations on the terms and conditions of aid and aid untying, and it has made recent efforts to accelerate its reporting of ODA statistics to the DAC.

Germany has more than doubled its bilateral ODA since 2010, much of the increase channelled through the multilateral system as humanitarian assistance or linked to special initiatives. In terms of regional distribution, the Middle East received the biggest increase in ODA but German development co-operation is now most concentrated in Africa, in line with its shift in focus. The share of country programmable aid has increased but is below the DAC average due to still high in-donor refugee and imputed student costs. Germany has increased its sectoral budget support provided in the form of policy-based loans together with other donors. Germany's development co-operation programming on gender equality would benefit from a level of political leadership and resources similar to that extended to climate change and the environment across the portfolio.

A strong multilateralist, Germany has played an influential role in shaping the multilateral agendas to focus on climate change and root causes of displacement, complementing its steering role in governing bodies with core contributions to new funds and earmarked funding in sectors of interest.

Germany has all the financial sector tools at its disposal to support financing beyond ODA through the KfW Development Bank (KfW); the KfW subsidiary, Deutsche Investitions- und Entwicklungsgesellschaft (DEG); and BMZ. Germany has also been instrumental in setting up funds and an architecture to support partner countries to mobilise more domestic resources, although this could feature more prominently in policy dialogue with partner countries. In 2020, Germany became an observer of the Total Official Support for Sustainable Development (TOSSD) task force and DEG started providing some additional detail on its investments. As an important donor and development finance institution, providing more transparent details on total support and non-ODA flows for all stakeholders would be welcome.

Overall ODA volume

Germany has provided over USD 20 billion in ODA annually since 2016 and reached 0.73% ODA-to-GNI target in 2020

Starting in 2010, Germany progressively increased its official development assistance (ODA), and it became the second largest DAC provider country in 2016. In 2020, Germany's ODA increased by 13.7% over the previous year to reach USD 28.4 billion on a grant equivalent basis[1], or 0.73% of gross national income (GNI). Germany was one of only six DAC countries that exceeded the international ODA to GNI target. Germany had reached the 0.7% target in 2016. In the same year, there was a 21% increase in net ODA – the biggest increase in its ODA budget since 2010 – even after excluding in-donor refugee costs. Since 2016, Germany's ODA has reached over USD 20 billion annually. ODA is likely to exceed USD 20 billion in 2021 as well.

Germany has demonstrated global solidarity and backed its commitment to sustainable development, increasing ODA for special initiatives in response to the refugee crisis and more recently to the effects of COVID-19 in partner countries. BMZ's four special initiatives have resulted in notable increases of German ODA for the areas of general environmental protection; disaster risk reduction; conflict, peace and security including support in situations of forced displacement; small and medium-sized enterprise (SME) development, employment creation, technical and vocational education and training (TVET); and energy conservation. Responding to the effects of COVID-19 on developing countries, the Federal Ministry for Economic Cooperation and Development (BMZ) reallocated funds that could not be spent and secured EUR 3.1 billion in new funding for 2020-21 (Box 3.1). Within Germany's gross ODA (on a cash-flow basis) in 2019 (USD 26.5 billion), 83% of ODA was provided in the form of grants and 17% in the form of loans. The share of bilateral ODA to fragile contexts (24.1%) was below the DAC average in 2019 (Chapter 7A).

While Germany has increased ODA investment in least developed countries, these still fall short of international commitments and there is a risk contributions may decrease

Germany provided 0.11% of GNI as ODA to LDCs in 2019, which includes both bilateral and multilateral channels, and is below the 0.15% target. The volume of bilateral ODA to LDCs has increased since 2015 although not at the same rate as overall bilateral ODA. The top five recipient countries of Germany's ODA in 2018-19, in descending order, were India and China (in both instances, the volume is attributed to high imputed student costs) followed by Syrian Arab Republic, Indonesia, and Iraq. None of these five are LDCs, and only two LDCs (Afghanistan and Yemen) figure in the top 20 recipients of German development co-operation. The implementation of BMZ 2030 (Chapter 2) will result in eight fewer priority partner countries in the LDC category (Federal Government, 2020[1]), meaning that Germany will have to increase its efforts to maintain the current LDC spend; the annual programming process will be one way to monitor this (Chapter 2). The highest share of gross bilateral ODA allocated by income (44%) was directed to lower middle-income countries in 2019, 33% went to upper middle-income countries, and 23% went to LDCs and other low-income countries.[2]

Germany's financial and technical co-operation adapts to partner country contexts

In 2018-19, 23% of gross bilateral ODA was disbursed as concessional loans; 77% was provided in the form of grants, with technical co-operation accounting for 16% of the grant total. Since 2015, the share of grant disbursements has increased compared to the share of loan disbursements. In 2018-19, over 90% of loans were extended to middle-income countries. About one-quarter (26%) of loans allocated by region went to governments on the African continent and almost half (47%) to Asia. The volume of technical co-operation has increased, as has the share of grants for technical co-operation: USD

2.8 billion in 2019 (16%), compared to USD 1.7 billion, or 14% of bilateral grants in 2015.[3] Recent trends confirm that middle-income countries benefit more than low-income countries from Germany's technical co-operation, reflecting their particular needs for technical rather than financial co-operation.[4] Germany uses GIZ, its government-owned federal enterprise, as the de facto channel for most technical co-operation, but in specific instances also uses the Federal Institute for Geosciences and Natural Resources or the National Metrology Institute. As a result, Germany tends to rely less on multilateral partners to implement earmarked contributions in partner countries, except in extremely fragile contexts (Chapter 7A).

Germany has improved the timeliness of its data submission to the OECD and adheres to DAC recommendations. Germany provides good quality reporting to DAC and Creditor Reporting System databases and provided a very timely submission in 2020 (on 2019 data). Germany adheres to the DAC recommendation on untying relating to LDCs and non-LDC heavily indebted poor countries (100%); however, reporting of ex ante notifications of Germany's untied aid offers was incomplete in 2017 and 2018. Based on what it reports, only 21% of the total value of ODA contracts were awarded to German companies. Germany's overall untying score has steadily improved, reaching 84% in 2019 (OECD, 2020[2]). Germany complied with the DAC recommendation on terms and conditions of aid with an overall grant element of bilateral ODA commitments to LDCs in 2017-18, when it had close to a 100% grant element.

Bilateral ODA allocations

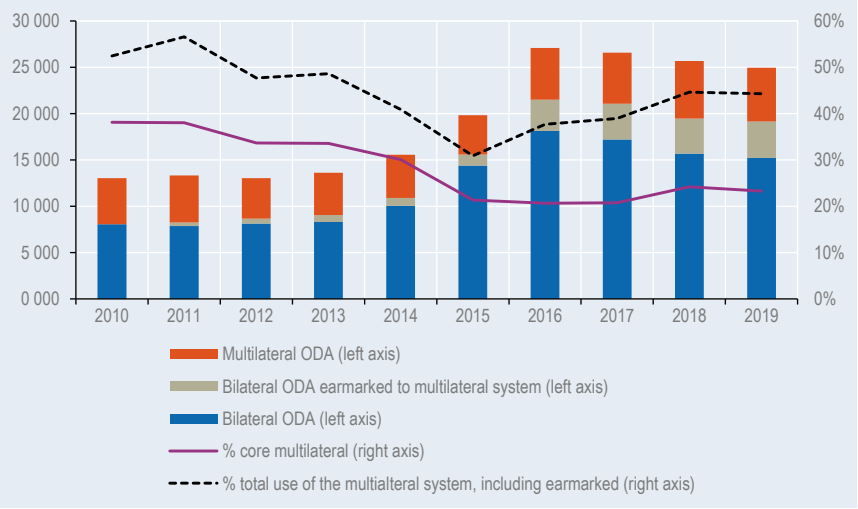
Bilateral ODA more than doubled in volume since 2010, with the largest increases to the Middle East and the African continent

Germany's ODA increase has been predominantly bilateral, with the share of gross bilateral ODA out of total ODA increasing to 79% (USD 18.5 billion) in 2019 from 62% in 2010 (Figure 3.1). The increase corresponds to the growth in bilateral aid earmarked and channelled through multilateral organisations over the same period. It follows, then, that the share of direct bilateral support has stayed about the same since 2010, at just over 60%, and that Germany has relied on the multilateral development system to implement its increase in bilateral ODA, much of it humanitarian assistance (Chapter 7B).

Germany's development co-operation is more concentrated in Africa than in any other region, but the Middle East as a region benefited from the highest percentage increase in ODA since 2010. Germany's ODA to the Middle East amounted to USD 2.9 billion in 2019 (compared to USD 463 million in 2010),[5] with the highest volume of support going to Iraq and Syria. Since 2017, however, the African continent has seen the highest percentage increase in German development co-operation of any region. As a group, the six reform countries[6] included in the BMZ 2030 country list, all in Africa, have benefited from an increase of 40% in gross ODA in the years 2015-19; in 2018-19, they together received 16% of Germany's gross bilateral ODA disbursements allocated to specific countries. In 2019, 36% of bilateral ODA went to Africa and 26% to Asia, 19% to the Middle East, 11% to Latin America, and 8% to Europe.

Figure 3.1. Germany's net ODA flows, 2010-19

Volume of net ODA in constant 2018 USD millions and % of total net ODA



Sources: OECD (2021[3]), *Total flows by donor (ODA+OOF+Private) [DAC1]* (database), https://stats.oecd.org/Index.aspx?DataSetCode=TABLE1; OECD (2021[4]), *Creditor Reporting System* (database), https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

StatLink https://stat.link/n57h40

Germany's share of aid spent in partner countries is increasing, as is support for policy reforms and budget support

Country programmable aid is slightly below the DAC average due to still-considerable in-donor refugee costs, humanitarian aid and imputed student costs. In 2019, country programmable aid[7] was USD 9.2 billion, or 42% of Germany's gross bilateral ODA, compared to a DAC country average of 49%. Starting in 2018, Germany substantially increased its support of partner governments' policy reforms, with disbursements characterised as budget support reaching USD 360 million, or 2% of gross bilateral ODA, in 2019 and typically provided in the form of basket funding and policy-based loans (Chapter 5). The share of ODA related to in-donor refugee costs was 11%, or USD 3.1 billion, in 2019, less than half as much as reported in 2016 and 2017. The share of humanitarian aid has doubled to 10.2% of sector-allocable ODA since 2015, while the volume of humanitarian ODA has almost tripled to USD 2.5 billion in disbursements. Imputed student costs, or the official costs of foreign students studying in Germany, are counted as ODA and have increased by 50% since 2015 to reach USD 1.5 billion in 2019; the top five countries of origin of students in 2018-19 were China, India, Syria, Iran and Turkey.[8] Core and earmarked support to non-governmental organisations constituted USD 1.7 billion, or 8% of gross bilateral ODA in 2019 compared to a total DAC average of 15% in 2019.

Most of Germany's bilateral ODA is for social infrastructure and services. (see 2021 Development Co-operation Report profiles for more information).

Box 3.1. Germany's approach to relief for partner countries from the effects of COVID-19

From the first weeks of the pandemic, BMZ recognised that COVID-19 would require a reallocation of funding. Between March and April 2020, shortly after the World Health Organization declared the novel coronavirus a pandemic, BMZ restructured programmes to provide more emergency relief and services for displaced people and to strengthen crisis management, reallocating EUR 1.15 billion of the 2020 ODA budget by April to address the health and economic impacts of the crisis in developing countries.

In June, BMZ announced an additional EUR 3.1 billion in ODA through 2021 as part of the country's fiscal stimulus package. Of this amount, EUR 1.55 billion was made available in July from the supplementary budget and availability of a further EUR 1.55 billion was approved by the German parliament (*Bundestag*) for 2021. The Federal Foreign Office also provided an additional EUR 450 million for humanitarian assistance, bringing the total ODA for the COVID-19 relief package to EUR 4.7 billion (including the re-allocation in April 2020). In February 2021, at the Group of Seven (G7) meeting, Germany announced an additional EUR 1.5 billion for global medical support activities.

Before making the case to the federal parliament for additional ODA in 2020, BMZ decided to reallocate a share of the current budget. This strategy had three key strengths.

First, in the initial weeks of the pandemic, Germany's partners had limited absorptive capacity to implement funds. Taking the time to identify what was possible within the existing programme and what additional resources were required gave partners the space to adjust.

Second, in March, political bandwidth in Germany, as elsewhere in Europe, was focused on the crisis at home. When the BMZ minister took the reallocation plan to the federal parliament in mid-April, Germany's own fiscal package was already on the table. Comparing the scale of investment in Europe with the resources available to developing countries and making the case for global solidarity — i.e. sharing a portion of Germany's stimulus package with populations most in need — proved to be a compelling narrative that gained political and public support.

Third, by taking time to do what was possible within the existing budget, Germany was able to make the best use of its existing capacities and strengths while also identifying how and where additional resources were needed most. At a time of intense pressure on government budgets, strong political will — backed by strategic, well-timed planning from within the ministry — enabled Germany to respond at scale. As a result, Germany stands out for having backed up its commitments to supporting developing countries in a time of crisis.

Source: Interviews and OECD (2020[5]), *Development Co-operation Report: Learning from Crises, Building Resilience*, https://dx.doi.org/10.1787/f6d42aa5-en.

Germany could strengthen the focus on gender equality across its programming, building on good work on environment and climate change mitigation and adaptation

Germany extends loans in line with its comparative advantage domestically to address climate change and energy generation and efficiency, including through investments in the sectors of water and sanitation and integrated urban development.[9] KfW provides loans or grants depending on the per capita income of client countries; however, it can adapt depending on the concessionality needs of a specific sector or project and the expected profitability of financed projects. In Tunisia, for example, grants are provided for environmental protection, gender equality, and direct poverty-related activities (Annex C). KfW will also start to extend loans in national currencies in addition to the euro to protect the borrower from foreign exchange risk. Promotional loans, such as some of the policy-based loans, are 100% funded by

KfW on the capital market backed by a guarantee of the German government. Sector or development loans such as those for the water sector in Tunisia (Annex C) are reduced-interest rate loans that, in addition to the guarantee of the German government, have an interest rate subsidy with grants from budget funds.

Germany could extend its strong political leadership and know-how on climate and the environment to women's empowerment and gender equality. In 2018-19, Germany committed 42% of its bilateral allocable aid (USD 8.2 billion) to gender equality and women's empowerment, equal to the DAC average of 45% in 2018-19, of which only 2% had gender as a principal objective.[10] There is an opportunity to consider how the quality criteria might be more consistently applied throughout Germany's programming, in particular in the productive sectors. In this vein, KfW is learning from similar institutions' financing for gender equality (Chapter 2). In 2018-19, Germany committed 49% of its bilateral allocable aid (USD 9.6 billion) in support of the environment and climate change, with an important share to its principal objectives. For climate change alone, it reported that 20% was related to mitigation, 13% to adaptation, and 9% to both adaptation and mitigation in this period. Indeed, Germany has put resources behind its leadership on climate change, spending 50% of climate financing in Africa, half of it on adaptation.

Multilateral ODA allocations

Germany is a strong multilateralist and very significant multilateral donor and partner

In 2019, Germany provided 21% (USD 5.6 billion) of its gross ODA as multilateral ODA and another 18% (USD 3.8 billion) in earmarked funding, and it is making efforts to be more predictable. Germany has increased core funding to multilateral organisations while maintaining an important volume of earmarked, and increasingly programmatic (as opposed to project-type), funding for humanitarian, governance and social sectors (Figure 3.2). Committing core funding for more than one year (outside of replenishments) remains a challenge for Germany because of the budget law. However, earmarked funding from special initiatives and using KfW as a channel make multi-year earmarked commitments possible. In 2019 and 2020, Germany was one of the top contributors to the Special Purpose Trust Fund for a reinforced UN development system. With the implementation of BMZ 2030, Germany is likely to rely even more on multilateral partners in countries where it plans to phase out bilateral development co-operation.

The EU is by far Germany's largest partner, primarily through assessed contributions to the budget (USD 2.3 billion in 2019), where it pushes to adopt a development angle. In addition, it provides USD 1.1 billion in support to the European Development Fund. Germany has been a strong promoter of Team Europe even before its 2020 EU Council presidency and has advocated for strengthening joint programming and joint implementation; however, translating this at country level and joining the dots of its African and special initiatives and those of the European Union remain works in progress. In addition, GIZ and KfW implement delegated co-operation from the European Commission (as well as other development partners).[11]

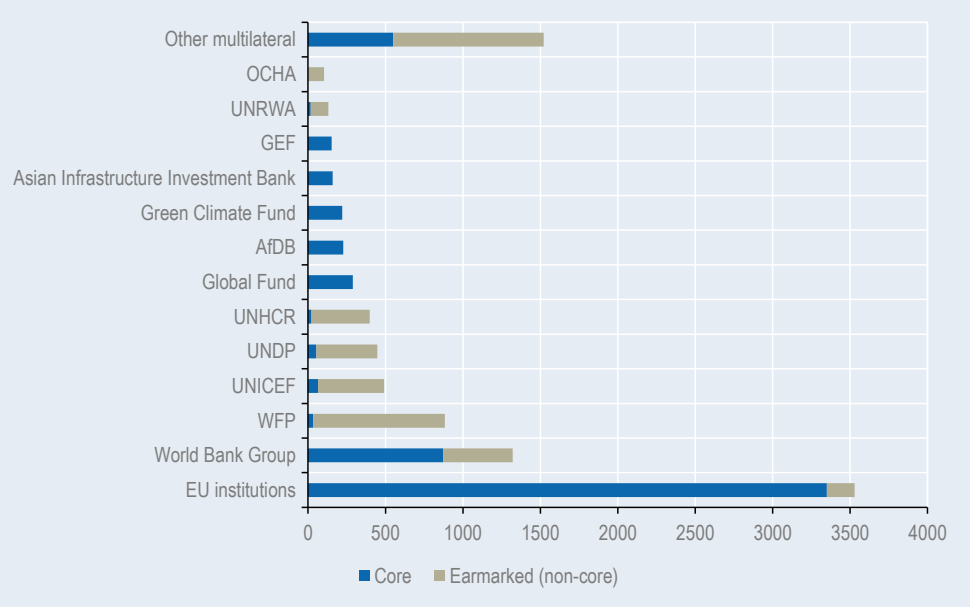
Germany is broadening its multilateral support to new players and has increased its core contributions to UN funds and programmes

Germany has demonstrated leadership backed by substantial financial resources to new multilateral institutions and earmarked funding to priority areas in partner countries. It invested strongly in the Asian Infrastructure Investment Bank and the Green Climate Fund. Germany's earmarked funding is overwhelmingly country-specific and in areas of particular focus — notably climate change/environment, resilience and crisis prevention but also digitalisation and social protection. Humanitarian assistance accounted for 44% of earmarked funding in 2018-19, and 10% was in the form

of loans for the water, energy and financial sectors. Germany is providing more voluntary core contributions to UN funds and programmes and regularly reviewing the balance between core and earmarked funding to UN funds and programmes in light of commitments made in the UN Funding Compact. In line with these promises, it could be more predictable by committing funds for more than one year.

Figure 3.2. Germany's main multilateral partners, 2018-19 average

2018 USD gross disbursements



Note: OCHA = UN Office for the Coordination of Humanitarian Affairs; UNRWA = UN Relief and Works Agency for Palestine Refugees in the Near East; GEF= Global Environment Facility; AfDB = African Development Bank; UNHCR = UN Refugee Agency; WFP = World Food Programme.
Source: OECD (2021[4]), *Creditor Reporting System* (database), https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

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Financing for sustainable development

Germany has many financial sector instruments at its disposal, and could leverage these more

The average annual amount of private finance mobilised from DEG, KfW and BMZ in 2017-19 was USD 720.9 million. Germany mobilises private finance via KfW and the KfW subsidiary, DEG, using credit lines, direct investment in companies and project finance special purpose vehicles, shares in collective investment vehicles and syndicated loans. Middle-income countries benefit the most from Germany's country-allocable private mobilisation.

Germany continuously expands its wide array of financing instruments (guarantees, bonds, debt swaps, risk capital, blended finance, direct investment and insurance). For example, Germany supports the multi-stakeholder fund TCX, or Currency Exchange Fund, hedging local currencies. It also supports the African Local Currency Bond Fund, which enables micro-finance institutions and local banks to expand their lending in local currency. Germany is an international leader in the provision of insurance products, including on climate and credit risk. The German government uses KfW's long-standing experience with

the issuance of green bonds — the value of its current green bond portfolio is EUR 2 billion — in co-operation with developing countries (DEG, 2020[6])

DEG finances long-term investments of private companies in developing and emerging market countries. As a development finance institution, DEG also offers advisory services to companies and institutions promoting private sector co-operation in partner countries. In addition to DEG, BMZ and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU) also extend equity via KfW. BMZ extends equity for formal sector financial intermediaries such as the SME investment fund in Tunisia; BMU does so to a facility for renewable energy and energy efficiency in Africa. In 2018-19, DEG provided USD 821.9 million in ODA equity and USD 2.5 billion in non-concessional, non-ODA loans to the private sector (Table 3.1). The largest loans, in descending order of loan value, went to private sector entities in Thailand, Serbia, Georgia, Paraguay, Kenya, Guinea, Tunisia, and Iraq. At the time of writing, DEG was opening an office in Bogotá, but its presence or outreach both in Rwanda and Tunisia, which is a priority partner and a reform country where private sector investment is central to Germany's support, seemed more limited during the field visits. DEG uses its Development Effectiveness Rating (DERa) to assess the development contributions of its financing, including via decent jobs, local income, market and sector development, environmental stewardship, and community benefits (Chapter 6).

Table 3.1. Germany's reporting on private sector instruments in 2018 and 2019

USD million, gross disbursements

	2018	2019
ODA equity	**552.4**	**919.3**
BMZ	187.3	438.9
BMU	23.6	-
DEG	341.5	480.4
OOF: DEG loans	**1 235.9**	**1 278.9**

Note: Other official flows (OOF) do not meet the ODA criteria and are not counted in ODA.
Source: OECD, (2021[4]), *Creditor Reporting System* (database), https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

Germany's new development investment fund in Africa with focus on Compact with Africa countries is getting off the ground with the aim to enhance private sector investment and foreign trade promotion. The initiative does not, however, seem to have a clear link to EU or African Development Bank instruments that might have enabled it to leverage existing efforts. The fund and its different components were also not yet very visible in Rwanda, and multilateral and bilateral partners were not fully acquainted with the initiative. In Tunisia, the new Business Desk of the German Tunisian Chamber of Industry and Commerce in Tunis was funded through AfricaConnect, one of the three pillars of the new fund. The desk will facilitate investments from German and European SMEs that promote employment in Tunisia. Through its public-private partnership programme, develoPPP.de, BMZ supports 26 corporate initiatives to improve working and environmental conditions in the textile supply chain (Chapters 1 and 5).

Germany has the architecture and instruments to further support domestic resource mobilisation

Germany is the driving force behind the International Tax Compact (housed in GIZ) and acts as the secretariat for the Addis Tax Initiative and Network of Tax Organisations. Together with the Bill & Melinda Gates Foundation, Germany has set up a domestic resources mobilisation (DRM) innovation fund that provides successful applicants EUR 100 000 to adapt or test solutions that tackle DRM in Africa.[12] BMZ supports the Africa Academy for Tax and Financial Crime Investigation and the German revenue

authority has provided experts for Tax Inspectors without Borders. In 2019, Germany committed USD 119.3 million of bilateral ODA to the mobilisation of domestic resources in developing countries, amounting to 0.6% of bilateral allocable aid ; it is unclear whether it will have doubled its 2015 commitments by 2020 as required in the Addis Tax Initiative declaration (Addis Tax Initiative, 2015[7]). Through its technical and financial co-operation for decentralisation and good governance in Rwanda, for example, Germany works to mobilise taxes at the local level (Annex C), but it could be more proactive in making this a priority topic for policy dialogue in its middle-income partner countries (Lingnau and Schnatz, 2020[8]). In contrast, Germany continues to seek tax exemptions on its ODA-funded goods and services in partner countries.

More detailed reporting by KfW DEG is welcome, but further transparency is desirable

Since 2020, KfW DEG has reported semi-aggregates on ODA equity and other official flows by recipient country, financial instrument and sector. However, these records are missing project titles and descriptions that would allow users and key stakeholders to match this information with projects listed on DEG's own website.

In 2020, Germany became an observer of the TOSSD task force. To date, it does not report TOSSD data to the OECD.

Germany reports on private finance mobilised by BMZ, BMF and KfW through its regular Creditor Reporting System reporting. In addition, KfW DEG, one of the largest European development finance institutions, has been sharing data on the amounts mobilised from the private sector through its climate-relevant activities. While this reporting is greatly appreciated by the Secretariat, the absence of data from KFW DEG on private mobilisation beyond climate introduces a data gap for Germany (estimated as significant, yet difficult to quantify).

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Notes

[1] Under the cash flow methodology used in the past, its net ODA was USD 28.9 billion in 2020.

[2] Note that 42% of gross bilateral ODA was unallocated by income group.

[3] The technical co-operation (TC) figures include both narrow and broad TC provided by Germany. Technical co-operation is an approach of the BMZ and does not comprise ODA invested by other federal ministries. For details, see https://www.bmz.de/en/ministry/approaches/bilateral_development_cooperation/approaches/technical_cooperation/index.html.

[4] Germany has a relatively high share of technical co-operation — 36% in 2018-19 — that is not allocated by country but rather for regional programmes.

[5] Amounts are in constant USD 2018 prices.

[6] The reform countries in BMZ 2030 are Côte d'Ivoire, Ethiopia, Ghana, Morocco, Senegal and Tunisia.

[7] Country programmable aid for bilateral donors is defined through exclusions — that is, by subtracting from total gross bilateral ODA all activities that are inherently unpredictable by nature (humanitarian aid and debt relief); entail no cross-border flows (administrative costs, imputed student costs, promotion of development awareness, and costs related to research and refugees in donor countries); or do not form part of co-operation agreements between governments (food aid, aid from local governments, core funding to NGOs, ODA equity investments, aid through secondary agencies and aid which is not allocable by country or region).

[8] As per the Draft Revised Statistical Reporting Directives for DAC Statistics, the imputed costs to be reported are those borne by the official sector and include expenditures by central and state governments, net of fees paid by the students. The costs are calculated as the percentage of official expenditure on education that corresponds to the percentage of the student body that is accounted for by students from developing countries. The calculation should in principle cover both secondary and tertiary students. See DCD/DAC/STAT(2018)9.

[9] KfW disbursed USD 4 billion in ODA loans on average over 2018-19. The largest projects in 2019 were budget support to Egypt and Jordan; energy efficiency and renewable (Brazil, India, Mexico); in India, power grid and a metro transit system in Nagpur; investment partnership in Tunisia; in Peru, public transport in Lima; urban waste management in South Africa; credit line for climate change in Turkey; energy sector reform in Georgia; SME financing for the West African Development Bank; and TVET development in Guangxi, China.

[10] In comparison, in 2017-18, total DAC support to gender equality and women's empowerment as a principal objective was 4% of aid screened.

[11] Delegated co-operation arrangements are commissioned separately from German government commissioned projects and would normally be reported and funded by the European Commission and other development partners.

[12] Examples of funded projects include the Madagascar e-Hetra payment platform, development of the TaxonApp in Zambia and a module to improve taxpayer interface in Cameroon.

4 Germany's structure and systems

This chapter considers whether Germany's institutional arrangements support its development co-operation objectives. It focuses on the system as a whole and assesses whether Germany has the necessary capabilities in place to deliver its development co-operation effectively and to contribute to sustainable development.

The chapter looks at authority, mandate and co-ordination to assess whether responsibility for development co-operation is clearly defined. It further explores whether the system is well co-ordinated and led with clear, complementary mandates as part of a whole-of-government approach at headquarters and in partner countries. Focusing on systems, the chapter further assesses whether Germany has clear and relevant processes and mechanisms in place. Finally, it looks at capacity across Germany's development co-operation system — in particular whether Germany has the necessary skills and knowledge where needed, to manage and deliver its development co-operation — and at the effectiveness of its human resources management system.

In brief

Germany's system for development co-operation is diverse and robust, with some challenges in co-ordinating a whole-of-government approach

Germany is the only Development Assistance Committee (DAC) member to still have a dedicated ministry for development co-operation. Having a separate Federal Ministry for Economic Cooperation and Development (BMZ) raises the profile of development co-operation across government and has recently resulted in a higher volume of funding and more influence of development issues in debates on sustainability, migration and domestic politics. Since the last peer review, BMZ's leadership and ability to influence decisions in the cabinet have increased alongside rising ODA budgets. Yet, Germany faces ongoing challenges in ensuring a coherent and consistent approach to development co-operation, not least due to the fact that each of the 14 federal ministries and 16 federal states is responsible for its own official development assistance (ODA) budget, policies, project implementation, relations and negotiations with partner countries. This makes it challenging for BMZ, as the lead ministry, to convene and have an overview of the entirety of German development co-operation.

BMZ has a leadership and oversight role for the four official German implementing organisations: KfW Development Bank (KfW), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Physikalisch-Technische Bundesanstalt (PTB), the National Metrology Institute, and Federal Institute for Geosciences and Natural Resources (BGR). They are strong, diverse, differentiated and mutually supportive, with rich technical and geographic expertise. The division of labour between BMZ and the implementing organisations and their roles are clear, complementary and understood for the most part by partner countries.

Germany has stepped up co-ordination on development issues at several levels. A comprehensive German approach across the government would mean being clearer on how and where the German government as a whole, beyond ministerial silos, could deliver the most effective development co-operation. Working relations between the German embassies, BMZ seconded staff, GIZ and KfW in partner countries are strong.

Germany is working towards reducing bureaucracy to become quicker and more flexible and to make political steering more effective, for example through the joint procedural reform and the new integrated planning and allocation system introduced in the BMZ 2030 reform strategy. Germany has a comprehensive and solid risk management system that assesses, monitors and mitigates risks, including corruption risks, at country, portfolio and project level.

Germany has a broad range of highly skilled staff to manage and deliver its development co-operation and it has a good reputation in partner countries, with BMZ, GIZ and KfW being valued highly for their expertise. Germany's development co-operation is, however, highly centralised. Considering greater delegation of authority to partner countries and re-thinking the division of labour between staff in headquarters and embassies could facilitate more effective steering of the German portfolio in partner countries - enabling Germany to be more effective, efficient, coherent, flexible and agile. National staff in German development co-operation ensure a sound understanding of the local contexts and constant dialogue with different development stakeholders. Maximising the use of partner countries' international language in communication and reporting that is not of a formal nature would increase the possibility of national staff contributing more.

Authority, mandate and co-ordination

A dedicated ministry for development co-operation focuses attention on sustainability, migration and development co-operation in the German political agenda

Over the past five years, BMZ's leadership and ability to influence decisions in the Cabinet have increased.[1] BMZ has spearheaded some cross-government initiatives such as the textile partnership (Chapter 1), firmly embedded development topics in the German political agenda, gained support of the Committee for Economic Cooperation and Development and the Budget Committee of parliament, and has succeeded in increasing the German ODA budget. Given its domestic backing[2], budget and unique role, BMZ and BMZ seconded staff could play a stronger role in global fora, policy dialogues at partner country level (Guffler et al., 2020[1]) and in development partner co-ordination groups, as it does in Tunisia (Annex C).

The 16 German federal states and German municipalities complement and localise federal initiatives. Important topics of Germany's development co-operation are discussed during the ministerial conferences of the federal states. This was the case, for example, in 2017 when Chancellor Merkel's initiatives for a stronger partnership with Africa gained support and in 2016 in discussions of the role of federal states in implementing the 2030 Agenda (German Federal States, 2019[2]). With responsibility for culture, education, police and communal affairs, the federal states provide scholarships for international students and create exchange and research networks. Furthermore, it is noteworthy that the economically stronger federal states seem to engage more in development co-operation than others (Table 4.1).

Germany faces ongoing challenges in ensuring a whole-of-government approach

BMZ is responsible for 50% of Germany's gross ODA; the other 13 federal ministries provide about 19% and the 16 federal states provide 5%. At 12% of gross ODA, the Federal Foreign Office is the most significant development actor after BMZ (Table 4.1). Providers of the remaining 26% of Germany's gross ODA include, among others, KfW, Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), miscellaneous items and the federal parliament. Each federal ministry and federal state is responsible for its own ODA budget, policy, project implementation, relations and negotiations with partner countries outside of the intergovernmental negotiations on development co-operation, making it challenging for BMZ, as the lead ministry, to have an overview of the entirety of German development co-operation.

As recommended in the 2015 peer review, BMZ could strengthen whole-of-government approaches to include federal ministries, federal states and local governments (Chapter 5) more systematically in information exchange and co-ordination efforts. Diverse German actors offer partner countries a broad range of expertise and partnerships to choose from. With the new BMZ 2030 country list of fewer priority partner countries, clear communication, transparency, and dialogue will be important to ensure as smooth an exit as possible for BMZ, allowing for the fact that some German development co-operation actors are likely to remain in partner countries. For instance, BMU could continue to implement programmes in countries where BMZ is phasing out bilateral co-operation, making it all the more important for German partners to convey clear messages about the entirety of German activities to the partner country.

Table 4.1. Gross ODA of federal ministries and federal states, average 2018-19

Federal Ministry of …	Average disbursement 2018-19 (in thousands USD)	Federal State	Average disbursement 2018-19 (in thousands USD)
Labour and Social Affairs (BMAS)	16 082	Baden-Württemberg	7 146
Education and Research (BMBF)	259 285	Bayern	13 488
Food Security and Agriculture (BMEL)	55 508	Berlin	939
Finance (BMF)	324 633	Brandenburg	651
Family Affairs, Senior Citizens, Women and Youth (BMFSFJ)	3 910	Bremen	531
Health (BMG)	118 297	Hamburg	10 888
Interior, Building and Community (BMI)	13 980	Hessen	3 366
Environment, Nature Conservation and Nuclear Safety (BMU)	533 156	Mecklenburg-Vorpommern	737
Defence (BMVg)	221	Niedersachsen	1 417
Transport and Digital Infrastructure (BMVI)	1 194	Nordrhein-Westfalen	11 064
Justice and Consumer Protection (BMVJ)	6 275	Rheinland-Pfalz	1 927
Economic Affairs and Energy (BMWi)	66 186	Saarland	180
Economic Cooperation and Development (BMZ)	14 137 288	Sachsen	767
Federal Foreign Office (AA)	3 474 975	Sachsen-Anhalt	381
Federal Commissioner for Cultural and Media Affairs (BKM)	401 877	Schleswig-Holstein	1 315
TOTAL	**19 412 863**	Thüringen	253
		All federal states (for imputed student costs)	1 399 442
		TOTAL	**1 454 489**

Note: The average gross ODA for 2018-19 is USD 28.2 billion (constant 2018 USD). The remaining USD 7.3 billion include, among others, KfW, DEG, miscellaneous items, and the federal parliament.
Source: OECD (2021[3]), *Creditor Reporting System* (database), https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

BMZ has a leadership and oversight role for the four official German implementing organisations

Germany has strong and diverse implementing organisations that maintain partnerships of mutual trust on the ground. These organisations are differentiated and mutually supportive, with rich technical and geographic expertise. KfW offers predictable funding and a wide array of financial instruments, while GIZ engages with stakeholders in partner countries to build capacities and share knowledge and technical expertise. PTB is a globally renowned metrology institute and has engaged in international co-operation for decades (Box 5.1). BGR is the expert institution for all geo-relevant questions.

The division of labour and roles between BMZ, its seconded staff in German embassies, and the implementing organisations are clear, complementary and understood, for the most part, by partner countries. BMZ is responsible for policy and political guidance. The implementing organisations have technical expertise, project management experience and implementation structures on the ground through their field offices. Thus, they are mutually dependent: BMZ depends on its implementing organisations and they — GIZ, KfW, PTB and BGR — in turn are equally dependent on the ministry as the main financier of their development co-operation programmes and projects. A finer balance between control and trust, and accountability and flexibility, in the spirit of a less hierarchical partnership, could lead to more effective ways of delivering development co-operation in partner countries, as the joint procedural reform and BMZ 2030 seek to accomplish.

Germany has stepped up co-ordination on development issues at several levels

A comprehensive approach across all government actors would enable Germany to deliver more effective development co-operation. BMZ staff are seconded to the mirror division for development policy in the Federal Chancellery, which was changed in 2017 to better liaise with BMZ and the parliament. The mirror division also engages in regular co-ordination groups of the State Secretaries (Chapter 1). To ensure transparency and accountability to partner countries, BMZ together with German embassies could step up efforts to collect information from all German actors in a partner country, with a view to sharing this with the partner country and avoiding duplication and contradictions. Furthermore, BMZ could seek to engage more with other federal ministries to seek agreement on joint policy guidelines for thematic areas or regions, for example by building on Federal Government guidelines for Africa (Federal Government, 2019[4]) and the Indo-Pacific region (Federal Government, 2020[5]).

BMZ is in the lead and plays a co-ordinating role in preparing government-to-government negotiations with partner countries. All federal ministries are invited to contribute to the preparations and participate in the negotiations, together with the four official implementing organisations. Additionally, the so-called *Ländergespräche*, or country talks, with all German ministries, civil society organisations (CSOs), including the political foundations, have been introduced as a regular consultation and exchange mechanism through which BMZ broadens the information and input base for partner countries.

Working relations between the German embassies, GIZ and KfW in partner countries are strong. Yet, political steering happens mostly from BMZ headquarters with the embassies maintaining overall political relations with partner countries and authority is delegated to the implementing organisations for project implementation only. Aligning the political and implementation levels better with a vision of which results the German development co-operation aims to achieve through its co-operation with the partner country, could allow Germany to exert more influence at the country level in agenda-setting, policy processes, and implementation of internal policies, making it a more strategic, effective and efficient partner in development co-operation (Guffler et al., 2020[1]).

Maintaining an overview and strategic vision of all German activities in a partner country, is facilitated through regular exchanges hosted by the embassies. Building on this good practice, Germany could better incentivise synergies among the activities of German institutions in partner countries, especially in reform partner countries such as Tunisia, where budgets and portfolios have increased and efforts are focused on co-ordinated approaches to ensure a sustainable and effective disbursement of funds. These include regional and global programmes and the interventions of all federal ministries, federal states, municipalities and private actors in a whole-of-country mapping.

The complexity and size of the German system presents challenges. Germany is the only DAC member to have representatives from three different institutions (embassy, GIZ and KfW) in conversations with partner governments, development partner co-ordination groups and other development fora, reflecting in part capacity constraints at the embassies to join all meetings and sector co-ordination tables, but also the narrower, more technical roles expected of GIZ and KfW. Roles and the division of labour seem clear for most partners and for the German institutions and any major decision is a team effort, potentially leading to better decisions and better results, on the one hand. On the other hand, having three German institutions at the table adds to the complexity of Germany's system and co-ordination efforts, and may hamper the ability of any single representative to influence and exercise political and diplomatic weight.

Systems

Germany is working towards reducing bureaucracy

BMZ aims to reduce bureaucracy, become quicker and more flexible, and make political steering more effective. In the joint procedural reform of 2018-19, BMZ revised, simplified and took steps to speed up the procedures for bilateral technical and financial co-operation (Table 4.2). These included allowing different planning steps to happen in parallel, streamlining programme proposals and reporting, reducing the number of international agreements, and focusing more on the envisioned impact and results of a programme (Chapter 6). BMZ has a clear steering role and invites the implementing organisations to propose two programme offers that would lead to achieving the envisioned results. Once these are agreed, GIZ and KfW have flexibility to revise offers and re-steer with BMZ, without needing to submit change offers, which strengthens relations and exchange between BMZ and the implementing organisations.

The parliament recently eased the requirement for all new programmes to have intergovernmental agreements, triggered by the joint procedural reform**.** Such agreements are now only required under special circumstances, which is expected to lead to an 80% reduction in intergovernmental agreements for financial co-operation. Previously, each new project required an intergovernmental agreement — and sometimes the agreement of the parliament as well — which often resulted in significant delays in implementation, as seen in Tunisia (Annex C). The parliament is also responsible for approving general budget support.

The new integrated planning and allocation aims to synchronise allocations from different budget lines and draws together thematic and regional considerations, special initiatives, climate change investments and all instruments of ODA. The annual planning and allocation summits involve the state secretaries and directors-general. It is too soon to tell if the new system, in place since early 2020, is resulting in better synchronised programming and more synergies across instruments. Investments are based on already-existing modules and programming. While the whole portfolio in a country is captured at the highest strategic level in BMZ, a careful balance is needed between strategic processes; the perception of a top-down, supply-driven process; and ownership. Regular political dialogue through the German embassies as well as through the activities of the implementing organisations in the field could help to signal stronger partner country ownership.

Table 4.2. Assessment of German development co-operation system

	Yes	No	Comment
Clear and transparent processes and procedures are in place to make decisions on:			
• Policies (Chapter 2)	●		● Guided by Agenda 2030; exist for most themes, regions, sectors and partners. Regular revisions make it difficult to identify a coherent overarching approach. BMZ 2030 has the potential to change this
• Programming	●		▲ Decision-making processes are clear. ● Joint procedural reform and BMZ 2030 are reducing bureaucracy. ▼ Country strategies are not comprehensive and are internal BMZ documents
• Partnerships (Chapters 2 and 5)	●		▲ Germany values the autonomy of its strong partners: federal states and municipalities, political foundations, CSOs, faith-based organisations, the private sector and research institutes ▼ Country strategies not shared with partner countries and only written in German
Systems are in place to assure the quality of development co-operation, including:			
• Audit	●		▲ Effective internal and external audit function in KfW and GIZ; annual audits of BMZ by the Federal Court of Audit; KfW and GIZ comply with BMZ spending rules; robust internal control processes in headquarters and the field
• Mainstreaming cross-cutting issues (Chapter 2)	●		● Moving from a checkbox to an impact approach in mainstreaming cross-cutting issues, such as gender, climate, and environment, human rights, and poverty ▲ Digitalisation emerged recently as a cross-cutting issue and gained more prominence with BMZ 2030
Systems support the member to implement its policies and commitments in a fair and efficient way:			
• Procurement, contracting, agreement-making	●		▲ Robust procurement and contracting by KfW, DEG* and GIZ ▲ German companies not favoured in procurement; Germany uses GIZ, its government-owned federal enterprise, as the de facto channel for most technical co-operation (Chapter 2)
Adequate and relevant systems and processes to assess and adapt to risks including:			
• Strategic, reputational, programming, security	●		▲ Risks systematically assessed in proposals submitted to BMZ for approval ▲ Risk and country assessments are informed by a broad range of sources, including think tanks such as German Development Institute, GIGA** or SWP***
• Corruption	●		▲ A comprehensive corruption risk management system that assesses corruption risks at country, portfolio and programme level. Germany systematically analyses different types of risks, including corruption risks, and uses the analysis, including mitigation measures, to design country strategies and interventions and to manage its programmes
• Sexual exploitation, abuse and harassment	●		▲ Recommendation published and disseminated ● In operationalising, PSEAH**** needs to be mainstreamed and implemented throughout KfW internal mechanisms and not only in programmes and projects in partner countries; GIZ has made considerable progress
Innovation and adaptation:			
• The leadership and internal system promote a culture of experimentation and adaptability to changes in the development landscape	●		● More could be done to adapt quicker and more flexibly to changes in the development landscape and to promote a culture of experimentation. KfW's recently rolled out new collaboration model based on agile principles for more efficient and effective collaboration is a good step in that direction as is engaging in foresight exercises to inform development programming in Africa
• Capabilities exist to introduce, encourage, measure and scale up innovation in development co-operation	●		▲ First steps undertaken towards building a culture and capabilities across BMZ, KfW and GIZ. ● Innovation could be introduced more firmly on the political agenda of conversations with partner countries

Notes: *DEG = Deutsche Investitions- und Entwicklungsgesellschaft; **GIGA = German Institute for Global and Area Studies; ***SWP = German Institute for International and Security Affairs; ****PSEAH = Preventing sexual exploitation, abuse and harassment. Green triangles refer to good practice; orange circles point to areas where progress is being made but more could be done; and red triangles refer to areas where progress is needed.
Source: Developed by the OECD Secretariat following the structure of the DAC Peer Review Reference Guide, based on the headquarters and field visits, documentation provided by BMZ, GIZ and KfW, and the Bundesrechnungshof (Federal Audit Office) (2020[6]) report to parliament available at https://www.bundesrechnungshof.de/de/veroeffentlichungen/produkte/beratungsberichte/entwicklung-einzelplaene/2020/langfassungen/2019-bericht-information-uber-die-entwicklung-des-einzelplans-23-bundesministerium-fur-wirtschaftliche-zusammen-arbeit-und-entw.

Germany balances the need for compliance in its system with broadening its risk management efforts to make a stronger contribution to improving the operating environment in partner countries

Germany and its implementing organisations GIZ and KfW have a comprehensive and solid risk management system that assesses, monitors and mitigates risks, including corruption risks, at country, portfolio and project level. This includes an anti-corruption strategy, codes of conduct, training programmes on corruption for staff and a whistleblowing system, monitoring tools, financial controls including auditing systems, and a solid sanctioning system. However, the focus on risks is mostly limited to the German interventions itself, while these risks should be addressed at a wider level.

Germany has improved its reporting mechanism since the last peer review. BMZ has a whistleblowing system for external complaints on its website. GIZ has a reporting mechanism based on four pillars: Integrity advisors, the ombudsperson, compliance officers and an online whistleblower portal in several languages has been available since May 2019. KfW has introduced a confidential and anonymous whistleblowing system for all staff and third parties, with contact details provided on its website.

Germany is active in global fora on anti-corruption, such as the OECD DAC Anti-Corruption Task Team. Germany has entered into strategic partnerships on anti-corruption with Transparency International and initiated the German business-driven initiative, Alliance for Integrity. Germany also supports partner countries in combating corruption and illicit financial flows with a focus on prevention, financial investigation and asset recovery.

While BMZ and KfW are still working on implementing the OECD recommendation on preventing sexual exploitation, abuse and harassment (PSEAH), GIZ has made considerable progress, since 2020. PSEAH is now included in the GIZ Code of Conduct that is an essential part of all labour contracts (German and national contracts). GIZ provides compulsory online training (available in four languages) for all staff members on compliance and offers an anonymous GIZ whistleblower portal that is accessible 24/7 worldwide via the GIZ homepage (for all staff, partners or any other person).

Germany's leadership is committed to supporting innovation and digitalisation across its development co-operation

The Federal Government wants to be a trailblazer for innovation. It has introduced a new data strategy (Federal Government, 2021[7]) as well as strategies on shaping digitalisation (Federal Government, 2018[8]) and the responsible development and use of artificial intelligence (Federal Government, 2020[9]). BMZ and numerous other federal ministries (among them BMEL and BMWi) encourage innovation in their development co-operation. For example, BMEL supports innovation in agriculture and BMWi in green energy solutions in partner countries. BMZ fosters innovation on the ground in collaboration with GIZ and KfW through the use of blockchain, machine learning and artificial intelligence and is the largest supporter of the United Nations Development Programme's accelerator labs.[3] BMZ promotes the use of digital tools, set up an Inequality Challenge[4]and GIZ created the Innovation Fund[5] in 2017 to leverage the innovation potential of its staff and project partners. Recognising that the COVID-19 crisis requires quick actions, BMZ

together with Team Europe partners called for innovative digital solutions to tackle the challenges of the pandemic through #SmartDevelopmentHack.[6]

BMZ has developed a comprehensive and ambitious approach to digitalisation. BMZ's newly created unit and strategy for digitalisation (BMZ, 2019[10]) lay a solid basis for mainstreaming digitalisation throughout its portfolio and as one of the six quality criteria of BMZ 2030 (Chapter 2). In BMZ's digital forum, focal points from each division and experts from KfW and GIZ develop ideas and strategies that explore digitalisation not only as a technical issue but together with its social and developmental dimensions. The plans for starting a new DigiLab fostering multi-stakeholder arrangements to scale-up existing innovations and jointly develop new innovations are a promising approach. One example is the partnership with the Mozilla Foundation using machine learning and artificial intelligence to collect speech data in local languages to provide information in Kinyarwanda. Another example is the blockchain-based governance tool TruBudget, which is piloted in 3 countries to improve transparency and efficiency in the use of ODA-financed projects.

Based on Germany's expertise, Rwanda turned to Germany to support its ambition to transition to a knowledge-based society and become an information communications technology (ICT) hub in East Africa. The new Digitalisation Fund and the Digital Solutions for Sustainable Development programme with its Digital Centre serve as enablers and provide a convening space for the Rwandan ICT community, bringing together innovators, start-ups and the private sector (Annex C). They also provide a platform for exchange on sensitive issues such as data protection, human rights and ensuring civic space — issues of great importance for rolling out digitalisation in different political contexts.

Overall, Germany is on a good track regarding innovation. Yet, it will be important that innovation is promoted beyond digitalisation, which will require a holistic approach across the German system — from incentivising individual staff to spot and scale up innovations and fostering an innovation mindset, institutional structures and work atmosphere to strategic planning, procurement and engaging in new partnerships to engage in radical thinking and approaches. Going forward, continued support at the highest political level will be important to establish innovation and digitalisation firmly on the political agenda with partner countries and encourage a mindset change in a new digital reality.

Capabilities throughout the system

Germany has a broad range of highly skilled staff to manage and deliver its development co-operation

German development co-operation has a good reputation in partner countries, and BMZ, GIZ and KfW staff are valued highly for their expertise across different sectors and project management and they engage in regular exchanges and dialogues with partner institutions. Germany continues to attract and retain qualified, committed and experienced staff with appropriate skills. Generalists in BMZ could draw more on the expertise available in the system. Only where necessary, KfW and GIZ rely on consultants, e.g. to support and bring in specific expertise in financial co-operation programmes or for external evaluations.

Considering greater delegation of authority to the field and re-thinking the division of labour could facilitate more effective steering of the German portfolio in partner countries

Germany's development co-operation is highly centralised with over 6 000 staff in headquarters (BMZ, GIZ and KfW). The bulk of staff in headquarters are working for GIZ, which is at the same time the most decentralised institution in the German development co-operation system. Each of the three main

German development co-operation institutions has regional and sectoral structures in headquarters and staff working in partner countries (Table 4.3). When including locally employed staff, 33% of KfW and 80% of GIZ staff are working in partner countries. BMZ, GIZ, and KfW all report back to their respective three headquarters (Bonn/Berlin, Eschborn, Frankfurt); at the same time KfW and GIZ are also accountable to BMZ. It is commendable that BMZ has seconded more staff to embassies since the last peer review, yet currently, only one-tenth of BMZ staff are posted abroad, which is low compared with other DAC members. For instance, 87% of staff of the French Ministry for Europe and Foreign Affairs who work on development are posted abroad and only 13% are located in Paris (OECD, 2018[11]). As recommended in the 2015 peer review, German development co-operation would benefit from a more decentralised model, revising the understanding of working relationships between BMZ and Federal Foreign Office/embassies and the reporting lines (OECD, 2015[12]). BMZ staff in embassies could be in constant exchange with BMZ headquarters and the Federal Foreign Office, including at senior level, and involved in strategic discussions and thus better equipped to ensure a field and regional perspective in BMZ policy decisions.

In line with BMZ 2030's ambition to reduce bureaucracy, be more efficient, flexible and agile, Germany could consider reducing the high transaction costs from its top-heavy, complex co-ordination system, and aim for more effective partnerships and greater responsiveness to local contexts.

Table 4.3. Staff breakdown in German development co-operation

Institution	Total	Headquarters	Embassies & country offices	Local staff (in embassies and country offices)	Change of total staff since 2015
BMZ	1 210	1 005	128	n.a.	27%
GIZ	22 199	4 543	2 536	15 120	33%
KfW (excl. DEG)	1 237	828	79	330	24%
Total	**24 646**	**6 376**	**2 843**	**15 450**	**Average: 28%**

Note: In addition, all federal ministries as well as the 16 federal states and several German municipalities have dedicated staff for international development co-operation. PTB has staff in headquarters managing and implementing projects with a volume of EUR 17.2 million financed by BMZ in 2019 (National Metrology Institute of Germany, 2019[13]). Similarly, BGR has staff in headquarters and the field. The difference in total staff numbers and the sum of headquarters, field and local staff is mainly due staff on leave (e.g. for family reasons). The staff figures for 2015 are taken from the 2015 DAC Peer Review of Germany.

Source: Federal Government (2020[14]) *Memorandum for the DAC Peer Review of Germany 2020/2021* (unpublished); GIZ (2020[15]), *Integrated Company Report 2019*; https://www.giz.de/en/downloads/giz2020-en-integrated-company-report-2019.pdf; OECD (2015[12]) *OECD Development Co-operation Peer Reviews: Germany 2015*; https://dx.doi.org/10.1787/9789264246133-en.

Shifting more authority for German development co-operation to partner countries would require rethinking the German business model. It would also entail career incentives, e.g. creating posts for BMZ managerial staff in the field,[7] and continuous training and staff development. Identifying the right staff at all career levels would also address the imbalance of more senior staff posted in the German implementing organisations while BMZ seconded staff often are entry to mid-level staff (i.e. level of A13 to A15). Currently, BMZ staff fill 12 deputy ambassador positions in embassies, as Federal Foreign Office career diplomats traditionally fill senior positions.

Increasing budgets, topics and responsibilities have taken a toll on BMZ staff

The number of staff grew on average by 28% across BMZ, GIZ and KfW since the 2015 peer review while the budget increased by 93%. With surging budgets and new special initiatives and topics, the individual workload for BMZ staff also has grown. Staff are now expected to be able to adapt quickly to new topics and political priorities, leading to individual workloads that can be overwhelming for BMZ staff. Development co-operation also has received greater attention in domestic politics, leading to higher visibility of BMZ's work within Germany and therefore more effort spent domestically to justify spending.

For a development ministry, this poses some challenges as the main target groups of its activities are outside of Germany. Even if BMZ follows the principle of rotation and employing generalists, rather than experts, new initiatives, reforms and constant budget increases demand new skills and flexible procedures to react to a changing (political) environment.

National staff in German development co-operation ensure a sound understanding of the local contexts and constant dialogue with different development stakeholders

The majority of staff in partner countries are recruited locally by GIZ and KfW at all levels, including as highly qualified experts (Table 4.3). Local staff are the backbone, providing local knowledge, networks and expertise for German development co-operation. They feel valued and are motivated to contribute to the goals of German co-operation in their countries. The different German institutions are attractive employers for local staff, offering competitive employment packages and opportunities for career development: progression up to management positions (GIZ), opportunities to move from working in country offices to headquarters in Frankfurt (KfW) or opportunities to work as experts in other countries (GIZ). Furthermore, it is commendable that KfW has started decentralising its operations with more project managers in the field.

Maximising the use of the international language of partner countries in non-official documents would draw on the knowledge and enhance the contribution of national staff, making German development co-operation more inclusive and participatory. BMZ and its implementing organisations could reassess which documents are i) mandatory by law to be produced in German; ii) in which cases programme and module documents might be submitted in other languages and translated for official purposes; and iii) which documents can be produced e.g. in English, French or Spanish, as is common practice of other DAC members. Communication in the country offices is mainly in the local international language, e.g. English in Rwanda and French in Tunisia (Annex C), but programme proposals, regular reporting, some training, and communication with BMZ are often in German. Since the 2015 peer review, evaluations are increasingly conducted in English, French and Spanish. Ensuring that language does not hinder career development would enable Germany to be fully inclusive and supportive of international staff and could encourage more staff mobility across different GIZ and KfW offices, including headquarters.

BMZ 2030 has implications for the 1 800 national staff based in GIZ country offices in the 26 countries that are no longer bilateral co-operation partners. Due to the need to look for new employment by 2023, GIZ expects that some staff may leave projects earlier, with the attendant staffing challenges and disruptions in implementing ongoing programmes and projects. Nevertheless, this shift provides an opportunity to explore greater mobility for local staff to move to GIZ offices in other countries or regions. Staffing challenges for staff in GIZ country offices arising from BMZ 2030 will need to be carefully managed. The situation is different for KfW with less challenges arising from BMZ 2030 due to a smaller number of offices and local employees in countries that are no longer bilateral co-operation partners. Furthermore, financial co-operation projects with countries where bilateral co-operation is being phased out, should be completed by 2025. Germany invests in staff development and training on issues related to risk, gender, anti-corruption and cultural sensitivity.

It is commendable that the BMZ budget for training increased by 34% in the last five years. Germany invests in its staff and offers joint training for staff from BMZ, other federal ministries, GIZ and KfW, ensuring a good mix of staff across hierarchy levels and encouraging networking. Training in other languages than German is available at KfW and even increased to around 50% for GIZ. In practice, language issues remain and only 35% of GIZ training participants were national staff in 2019, while this group represents 70% of total staff. A good example is the compulsory GIZ training on PSEAH which is available in four languages.

BMZ has flexible work arrangements in place and offers packages for spouses joining their partners to postings abroad, allowing for career and family life balance. BMZ has active staff representatives who meet regularly with their counterparts in other ministries such as the Federal Foreign

Office. Furthermore, BMZ 2030 is a good example of an inclusive, participatory, and staff-driven and staff-owned reform process, as the ideas were developed in mixed working groups of all staff levels and not top down by the senior management. Staff exchanges from BMZ to the implementing organisations in the field may lead to greater mutual understanding of the rationale and ways of working of each German partner.

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Notes

[1] As established in the three main principles of the German Basic Law, the Chancellor defines the overarching policy guidelines *(Kanzlerprinzip*) for the government. In line with the principle of autonomous action by each ministry (*Ressortprinzip*) (); each federal ministry is autonomous in implementing the guidelines. The third principle refers to decision making through the Cabinet, rather than the Chancellor alone (*Kabinettsprinzip*) for important decisions. See the *Basic Law for the Federal Republic of Germany* (Bundestag, 1949[17]) at https://www.btg-bestellservice.de/pdf/80201000.pdf.

[2] BMZ has the eighth largest budget among the federal ministries, ahead of the Ministries for Economic Affairs and Energy (BMWi); Environment, Nature Conservation and Nuclear Safety (BMU); Food and Agriculture (BMEL); and Finance (BMF) and of the Federal Foreign Office (Statista, 2020[16])

[3] For further details, see https://acceleratorlabs.undp.org/.

[4] For details, see https://www.poverty-inequality.com/portfolios/inequality-challenge/.

[5] For details, see https://www.giz.de/expertise/html/60797.html.

[6] Further information is available at https://www.poverty-inequality.com/portfolios/inequality-challenge/.

[7] Currently, no posts in the field structure for BMZ managerial staff are defined as head of division and above, according to the memorandum for the DAC peer review of Germany (Federal Government, 2020[14]).

5 Germany's delivery modalities and partnerships

This chapter looks at the principles that guide Germany's partnership approach across its development portfolio and how Germany uses its financial, diplomatic and technical resources in its global engagement and in partner countries. It assesses whether the approach and principles are consistent with Germany's development co-operation policy and international commitments on development effectiveness: ownership of development priorities by developing countries, a focus on results, inclusive development partnerships, and transparency and mutual accountability. The chapter first considers Germany's approach to partnerships for development co-operation with a range of actors, assessing whether they embody the development effectiveness principles. It then explores whether Germany's work in partner countries is in keeping with its domestic and international commitments to, and principles of, effective development co-operation.

In brief

German's strength is its diverse ecosystem of partners but it could make better use of their specific expertise and rethink the form and content of its country strategies

Germany has a strong and diverse ecosystem of partnerships, ranging from multilateral institutions to partners engaged in development co-operation at state and municipal levels in addition to active civil society organisations (CSOs), including church-based organisations and the six political foundations, numerous research and evaluation institutes, and an interested private sector. Activities of the federal states and municipalities, while smaller in size than those of the Federal Government (Chapter 2 and 4), bring development co-operation and solidarity into the lives of citizens. At the same time, development co-operation is considered mainly as government-to-government co-operation and Germany could make better use of its diverse partners.

Germany could step up its funding to CSOs, including to local CSOs in partner countries, and reduce bureaucratic hurdles. CSOs appreciate the increased funding through the private provider programme. Scaling up and having more effective and less cumbersome procedures for CSO funding, including more flexibility to adjust to changes in the partner countries, would allow German CSOs and their partners to adapt better to changing contexts.

Dedicated mechanisms and instruments enhance predictability and flexibility to involve the private sector in German development co-operation — a goal that is explicitly put forward in the Africa-related initiatives, reform partnerships and BMZ 2030. Different platforms, organisations and support mechanisms are available in addition to co-funding for public-private partnerships. Germany could commit to projects with the private sector beyond the usual three-year funding period and reduce the bureaucracy involved in joint projects.

As a strong supporter of multilateralism and European Union (EU) joint programming and a champion of triangular co-operation, Germany opts for joint approaches where possible. Germany could do more to encourage multi-stakeholder partnerships.

A former co-chair of the Global Partnership for Effective Development Co-operation (GPEDC), Germany champions development effectiveness but will need to ensure the 2030 reform strategy of the Federal Ministry for Economic Cooperation and Development (BMZ) safeguards partner country ownership and demand-driven partnerships. The current reform process is a good opportunity to rethink the form and content of its country strategies with a view to sharing them in a transparent way with partner countries. Germany's wide ranging partnerships could be included in the implementation of the country strategies. Germany's support to partner countries is predictable, and its forward planning is strong. Generally, government-to-government negotiations ensure a link to partner countries' national development strategies and existing country portfolios.

Germany has a broad range of instruments at its disposal to respond flexibly to partner countries' demands, with the COVID-19 response a good example to build on. It makes good use of its offices in partner countries, research institutions and think tanks to develop context analysis and understanding of partner countries. For the six African reform partners, reform financing, including as policy-based grants and loans, is tied to showing results that are agreed by the partner country and Germany.

Effective partnerships

Germany could make better use of its diverse development co-operation partners

Germany has a broad range of partners that are strongly engaged in development co-operation at state and municipal levels in addition to an active CSO scene, including church-based organisations and the six political foundations, numerous research and evaluation institutes, and interested private sector partners. Political foundations are a unique instrument of German development co-operation, with networks across political parties, parliaments, trade unions, social movements and other areas. At the same time, development co-operation is thought of mainly as government-to-government co-operation (Chapter 2), and Germany could build more on the expertise of its non-state partners.

While smaller in size than those of the Federal Government (Chapter 2 and 4), the activities of federal states and municipalities bring development co-operation and solidarity into the lives of citizens. For instance, German municipalities engage in twinning activities, grassroots development projects and exchanges with partner municipalities which contribute to raising awareness of development issues on both sides, as the example of the Rwanda-Rheinland-Pfalz partnership and its twinning projects vividly illustrate.

In Tunisia, BMZ's support for diverse German CSOs has enabled them to engage with Tunisian partners in ways that complement official German development co-operation. The six political foundations, the German Tunisian Chamber of Industry and Commerce, and other civil society organisations are encouraging participation in democratic processes, providing training to meet the demands of the Tunisian labour market, supporting progress towards a digital economy and attracting private sector investment. These initiatives are drawing on the potential of Tunisia's young and well-educated population and creating opportunities for them and returning migrants.

Germany could step up its funding to CSOs, including to local CSOs in partner countries, and reduce bureaucratic hurdles

CSOs appreciate the increased funding through the private provider programme. At the same time, the share of Germany's funding going to CSOs, at 8%, remains below the OECD average of 15%. Scaling up and having more effective and less cumbersome procedures for CSO funding, including more flexibility to adjust to changes in the partner countries, would allow German CSOs and their partners to adapt better to changing contexts (VENRO, 2020[1]). Maintaining leeway for small CSOs to continue engaging in grassroots activities is important. However, while Germany has made progress since the last peer review, it could make greater efforts to move larger CSOs from project-based to programme financing based on agreed results.

Engagement Global provides valuable support to German CSOs, as does VENRO, the umbrella organisation of development and humanitarian non-governmental organisations (NGOs)**.** CSOs funded through the private provider budget line can receive support and advisory services through Engagement Global as the one-stop shop for civil society engagement in development co-operation (Chapter 1). Funding and advice for municipalities to engage in development co-operation is also channelled through Engagement Global (Table 5.1), which is mainly funded by BMZ. As the 2015 peer review proposed, finding the right balance between signing multi-year framework agreements with some CSOs and allowing for small CSOs to propose projects would encourage greater diversity.

Germany has improved the quality of its civil society partnerships, but challenges remain. Germany could step up its funding to local CSOs and its support for civic space in partner countries in consultation with German CSOs and their partner organisations. Official funding to CSOs on the ground is limited and mainly through embassy budgets for small CSO projects. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH also provides funding through local subsidies, as seen in Rwanda (Annex

C), and involves civil society as an active partner in change processes by providing platforms between the larger governmental institutions and local activists. KfW Development Bank increasingly co-operates with CSOs that have specific mandates, favourable access to local populations, or particular thematic expertise (e.g. World Vision, World Wildlife Fund, etc), using specific guidelines, operating procedures, and key accounts to work with partners beyond governments. In fragile contexts, where NGOs may rely both on development and humanitarian aid funding sources, the situation is more complicated due to the Federal Budget Law, as the Federal Foreign Office (for humanitarian assistance) and BMZ (for development co-operation) have different accountability requirements and do not allow different ministry budgets to be used to fund a single project (e.g. water, sanitation and hygiene infrastructure in a refugee camp).

Germany makes good use of its various technical co-operation instruments. For example, GIZ supports institutional strengthening of CSOs by a technical co-operation project, and at the same time deploys development workers and civil peace servants to support Rwandan CSOs. Rwandan partners value the support in general and the predictability of these experts as they work with local CSOs for two to four years. Direct support to grassroots and small- to medium-sized CSOs is one important avenue for Germany to reach local beneficiaries and marginalised populations, bringing the voices of those on the front line of poverty, inequality and vulnerability to development processes (OECD, 2018[2]); and maintaining local networks to ensure there is extensive on-the-ground knowledge (Chapter 7).

Germany could do more to create an enabling environment for CSOs in partner countries and to better engage with them. While the Africa policy guidelines call for deepening civil society partnerships, they will be difficult to achieve without a strategy that goes beyond the existing mechanisms. This may be because the German federal government may only work indirectly with Southern civil society partners by supporting international or German civil society actors or using micro-project funding instruments. At country level, KfW and GIZ implement programmes with civil society actors.[1] The latest GPEDC monitoring round, however, found Germany could do better in engaging civil society actors in partner countries, for example in preparing their country strategies or tracking and evaluating projects or programmes (OECD/UNDP, 2019[3]). As Germany expands the reform partnership with Tunisia to support good governance, it could work to assess and decide how to partner and consult more strategically with civil society. This would contribute to ensuring the relevance and sustainability of all of its public investments (Annex C).

Table 5.1. Overview of funding to German CSOs and municipalities to engage in development co-operation

Type of CSO	Funding (in USD, 2020)	Co-ordination unit in BMZ (and budget line)	Intermediary
Political foundations	387 million	Churches, political foundations, social structural programmes	Independent
Church-based NGOs	343 million	Churches, political foundations, social structural programmes	Independent, members of VENRO
Private institutions (NGOs)	171 million	Private providers	Engagement Global, advised by bengo[1] (chiefly VENRO members)
Agencies involved in social structure advancement[2]	70 million	Churches, political foundations, social structural programmes	Independent
Transitional development assistance	99 million	Crisis management, transitional development assistance, reconstruction, infrastructure in crisis situations	VENRO
Civil peace service	63 million	Private providers	Engagement Global
Development education (Chapter 1)	51 million	Development education, awareness raising	Engagement Global, ONE World networks
Municipalities in development co-operation	35 million	Federal states, local authorities	Engagement Global, Service Agency Municipalities in ONE World
Total	**1.2 billion**		

[1] engo is the advice centre for NGOs working in the field of development co-operation.
[2] These 12 CSOs work on strengthening social structures and include the German Trade Union Confederation and the German adult education association (Deutscher Volkshochschul-Verband e.V., DVV), as seen in Tunisia (Annex C).
Source: Federal Government (2020[4]), *Memorandum for the DAC Peer Review of Germany 2020/21* (unpublished). See also the BMZ website description of co-operation with NGOs at https://www.bmz.de/en/ministry/approaches/inlandsarbeit/nros/index.html.

Through a diverse set of mechanisms and instruments, Germany facilitates private sector engagement in partner countries

Germany provides incentives for its private sector to take responsibility and engage in development co-operation through dedicated mechanisms and instruments. These include the Agency for Business and Economic Development, develoPPP.de and AfricaGrow and the provision of export credit guarantees ("Hermes") and investment guarantees (Chapter 2). In addition, the network of German Chambers of Commerce Abroad offers support to partner countries and German businesses to engage in building capacity and establishing business associations. Private sector actors regard the government (mainly BMZ and the Federal Ministry for Economic Affairs and Energy) as strategic partners; they value the support of GIZ offices on the ground, which facilitates project implementation.

Germany could commit to projects with the private sector beyond the usual three-year funding period and reduce the bureaucracy involved in joint projects. Private sector involvement lends credibility to Germany's long-term investments in partner countries, provides training, creates jobs, and brings new experiences and expertise. Germany spearheaded the drafting and agreement of the Kampala Principles and created the Business Leader Caucus under the aegis of the GPEDC, underlining the importance it gives to partnering more with the private sector. Over time, government and business partners managed to understand each other's logic of intervention, but bureaucracy is still a stumbling block for stronger partnerships. Also, Germany could make better use of the private sector expertise in areas such as renewable energies, digitalisation, and implementing corporate social responsibility projects and standards and could involve business representatives more regularly in thematic and regional discussions on Germany's development co-operation.

Germany engages in successful multi-stakeholder partnerships but could do more. The BMZ Charter for the Future included multi-stakeholder partnerships as a key action area to implement the "new global partnership" and aimed to develop a new generation of multi-stakeholder partnerships (GIZ, 2017[5]), which was reaffirmed in BMZ 2030 (Chapter 2). The private sector values the joint learning exercise and BMZ's openness for inputs in establishing this partnership, which was adapted to the needs and realities on the ground based on companies' feedback. Working with a diverse set of partners is key for the success of the textile partnership and the new Green Button label (Chapter 1, Box 1.1). Given the strong support for sustainability issues among development stakeholders and the diverse landscape of partners, Germany could step up its engagement in multi-stakeholder partnerships to live up to its policy ambitions of bringing together diverse sets of experiences, views, voices and approaches in equal partnerships to work towards a common good.

As a strong supporter of multilateralism and EU joint programming and a key partner in triangular co-operation, Germany opts for joint approaches where possible

A champion of EU joint programming, Germany could step up its efforts in EU joint implementation (Chapter 3). Germany participates in 85% of the EU's joint programming efforts in 67 partner countries, ranking first among EU member states, according to 2019 data collected by the European Commission (European Commission, 2019[6])**.** Yet, Germany's country strategies and programming documents do not refer to EU joint programming and EU joint implementation, and the latter is still rare. Germany is committed to Team Europe and aims to engage via its embassies and KfW on developing a Team Europe approach on the ground in partner countries, paving the way for more joint implementation[2].

EU member states perceive Germany as a driving force for government-development partner co-ordination in Rwanda and Tunisia. Furthermore, in 2019, 170 projects implemented by GIZ were EU-delegated co-operation projects or co-financing arrangements with EU member states — accounting for 11% of GIZ's business volume (GIZ, 2020[7]). Germany receives co-financing from its DAC partners, for instance from the United Kingdom's Foreign, Commonwealth and Development Office for the green fund in Rwanda, and in countries where other DAC members have no presence on the ground, building on Germany's country offices and partnerships in the field.

Germany engages in parallel and co-financing arrangements with multilateral organisations. The Ruzizi III hydropower plant in the Democratic Republic of Congo is financed by the World Bank, the African Development Bank, the European Investment Bank, Agence française de Développement and KfW. In Tunisia, the reform matrix Germany developed for its reform partnership paved the way for a joint approach to policy based lending by the World Bank and three bilateral partners (France, Germany and Japan). Implementing the joint matrix is still work in progress. The African Development Bank has signaled that it will join the reform approach in 2021, and the EU has aligned its work to that of partners engaged in policy based lending.

Germany is stepping up its engagement in triangular co-operation, leveraging partnerships of trust with its partners to jointly tackle global challenges (Box 5.1). Through BMZ 2030 and building on its strength in working with middle-income countries (Chapter 3), including the eight global partners, Germany could share its experience and knowledge with countries in the same neighbourhood or with other regions and could mainstream triangular partnerships throughout its portfolio.

Germany has increased its transparency and accountability

Germany publishes to the International Aid Transparency Initiative (IATI) on a monthly basis, providing information on more than 9 000 projects (BMZ, 2021[8]) and improved its rating in 2020. KfW has moved up from fair to good on the Publish What You Fund Index, and GIZ's rating remains good. While Germany is transparent and accountable to a German-speaking audience, it could increase availability of

project information and evaluations in English or other international languages to increase transparency to its partner countries and the global development co-operation community. Information on GIZ projects and evaluations is easily available in English on line, while KfW provides aggregated data in English and its detailed project database is available in German only.

With rising budgets, there is increased pressure from BMZ and the federal parliament on the implementing organisations to be accountable. For instance, GIZ has seen an increase of external audits, controls and evaluations, reaching around 1 000 per year, which include those conducted for an increasing number of public clients and co-financing partners. Furthermore, questions from the federal parliament to BMZ have intensified during the current legislative period. While such requests are important for the purpose of public accountability, managing them is time-consuming for implementing organisations and may require additional, dedicated staff to work on issues related to accountability.

Box 5.1. Triangular co-operation in German development co-operation

Germany is among the most active partners in triangular co-operation worldwide (Global Partnership Initiative, 2019[9]; OECD, 2021[10]). It engages in global discussions on using the modality to achieve the 2030 Agenda within the scope of the United Nations, OECD, GPEDC and the Global Partnership Initiative on Effective Triangular Co-operation. A recent portfolio evaluation of German triangular co-operation by DEval concluded that the instrument has great potential. Germany recognised early on that triangular co-operation has a political-strategic (partnership) and programmatic-thematic (development results) dimension (German Institute for Development Evaluation, 2020[11]). An example is its work with Indonesia and Mexico where the experiences of triangular co-operation supported the establishment and strengthening of the new co-operation agencies, Indo-AID and AMEXCID.

Concrete development results also were achieved in the ten-year partnership between the Brazilian and German metrology, INMETRO and PTB, institutes to establish a Mozambican metrology institute, with the support of the Brazilian Cooperation Agency, BMZ and GIZ. The quality control of this metrology institute has helped Mozambican businesses market their goods in the Southern African Development Community.

Working with the private sector in triangular co-operation — for example, in partnerships between China, Ethiopia and Germany and between Germany, Guatemala, Honduras and Mexico — has produced valuable results for all partners. Similarly, working with CSOs often complements government co-operation, as is the case for the triangular partnership between the Tunisian Center of Arab Women for Training and Research, the Arab Gulf Program for Development, the Saudi Fund for Development, and Germany to support financial inclusion of young Tunisian and West Bank and Gaza Strip entrepreneurs.

German triangular co-operation offers a number of lessons learned:

- Regional Fund for Triangular Co-operation in Latin America and the Caribbean, which celebrated its tenth anniversary in 2020, enjoys great popularity in the region, is well known by all partners and regularly receives more applications than it can fund. During the COVID-19 pandemic, it quickly adapted its upcoming call for project proposals to tackling the pandemic. Based on the lessons from this region, Germany set up a new regional fund for Asia.
- Partnership and development results are closely linked in most triangular co-operation projects, they allow the testing of new ideas and learning by all three (or more) partners.
- Perceived transaction costs in triangular co-operation are an investment in the partnership among the partners and contribute to harmonising efforts in the beneficiary countries.

- It is important to create incentives to spot ideas for triangular partnerships and to communicate the benefits of working trilaterally across the German development co-operation system.

BMZ 2030 highlights multi-donor partnerships including triangular co-operation, a twofold opportunity to achieve impacts and mobilise additional resources (BMZ, 2020[12]). A new strategy paper and guidance on triangular co-operation are being prepared to implement the recommendations of the DEval evaluation, in line with BMZ 2030. BMZ also is assessing the option of creating new regional funds for the Middle East and Northern Africa (MENA) region and Africa.

Country-level engagement

Rethinking the form and content of its country strategies would enable Germany to move towards a coherent, German approach and increase transparency and accountability

The BMZ 2030 reform process offers an opportunity to alter the content and purpose of country strategies. Currently, the country strategies are internal BMZ documents (drafted in German) that include frank analyses of challenges and draw on the expertise of the implementing organisations, research institutes and think tanks. The content of country strategies varies from country to country. Usually, they are aligned with the 2030 Agenda and most comprise indicative funding projections and objectives of the three focus areas of co-operation. However, only some have an overarching objective for co-operation with the country. Including results at all levels is good practice (Chapter 6), which Germany could take up in drafting future country strategies.

Including a whole-of-nation perspective in country strategies would provide partner countries a comprehensive view of German development co-operation. This would in turn enable concrete programmes of technical and financial co-operation and individual modules to be developed. The activities of other federal ministries and German government entities are not systematically or comprehensively reflected in country strategies. Nor are these ministries and other entities asked to provide inputs to BMZ as the lead ministry for development co-operation. Furthermore, links to EU strategies and joint programming could complement the German approach, especially in countries where Germany has a small portfolio. Adding information on activities of German non-governmental partners would enrich the scope of the country strategies. Sharing country strategies with partner countries and publishing them on line would increase Germany's transparency and mutual accountability with its partners and its public.

For instance, in Tunisia, Germany could do more to tell the story of how it contributes towards the goals of Tunisian citizens, civil society organisations and the government itself through its broad range of partnerships. In addition to modelling transparency, such an approach could highlight how Germany is supporting government, civil society and private sector efforts towards a more pluralistic society and sustained growth, while at the same time linking back to overarching German policy goals, such as the G20 Compact with Africa and the BMZ Marshall Plan with Africa.

Globally, GIZ could benefit from making its vision of country engagement and objectives for technical co-operation, self-help and capacity building clearer. Germany offers high-quality staff that provide technical co-operation in a wide range of sectors and enjoys high appreciation from its partners. In a rapidly changing and increasingly interdependent development co-operation landscape, this model requires constant reflection in view of increasing capacity in partner countries, ensuring value for money of the chosen approach and ownership, and jointly working towards anchoring the project results in the partner country system to affirm sustainability. Projecting GIZ's role in partner countries into the future where partners are likely to require more knowledge sharing, partnerships, and technical expertise, and

will have fewer external resources to obtain it, GIZ could communicate better its vision for the breadth and role of its technical co-operation model.

A strong supporter of development effectiveness, Germany could facilitate greater partner ownership

Germany has played a leadership role in the Global Partnership for Effective Development Co-operation and has spearheaded efforts to adapt effectiveness principles to different contexts and modalities. The effectiveness principles guide Germany's development co-operation, and Germany continues to lead work on translating them into guidance and practice for other partners.

The BMZ 2030 intention to make Germany's development co-operation more effective requires contextualisation in partner countries. Partners, such as Tunisia, might at times be overwhelmed by the sheer size of Germany's state and non-state partner activities and their funding (Chapter 4). In Tunisia, Germany is a strong supporter of the young Tunisian democracy. It has rapidly scaled up its portfolio since 2011 to such an extent that there is also a question of absorption capacity (Annex C). Germany might consider the level, focus and effectiveness of its official development assistance (ODA) to ensure it is achieving value for money and responding to what its partner countries need most at a given time.

As part of its commitment to ownership, Germany scaled up the provision of budget support in 2018. Typically provided with other development partners, budget support in the form of policy-based financing and reform financing also constitutes an important instrument in Germany's six reform partnerships — one that works to strengthen public financial management systems (Annex C).

At the same time, where partners show strong ownership, Germany is willing to respond and adapt. For instance, Rwanda exercises strong ownership of development co-operation with Germany and is clearly demanding German support in the three agreed priority sectors. Both parties show a degree of flexibility and adaptability, such as GIZ aligning to the Rwandan fiscal year.

Germany could apply its Latin America and Asia experience in Africa. With its global partners and partners in Asia and Latin America, Germany follows a progressive, partnership-oriented approach, testing new ideas and jointly defining co-operation activities where all partners learn. Living up to the ambitions of the BMZ Marshall Plan with Africa and the Compact with Africa, Germany could follow more of such an approach with African partners rather than working in more traditional ways (Annex C).

Germany's predictability and forward planning are strong

Government-to-government negotiations ensure a link to partner countries' national development strategies and existing country portfolios. According to data from the GPEDC, Germany made efforts to improve country ownership from 2016 to 2018 (Table 5.2). Germany is successfully aligning new programme and project objectives with those defined in partner country strategies and plans. Of Germany's total gross bilateral ODA, 42% was country programmable aid (USD 9.2 billion) in 2019 (Chapter 3). Based on country reporting for GPEDC monitoring, Germany performs better than the DAC average (Table 5.2). Forward expenditure plans received by countries from Germany covered 75% of estimated funding, an increase over the 2016 share of 62%. Annual predictability of German development co-operation is also high, with 91% of its funds disbursed to partner countries within the fiscal year in which they were scheduled for disbursement. However, only 53% of Germany's development co-operation is recorded in partner countries' budgets and subject to parliamentary scrutiny in the partner country (OECD/UNDP, 2019[3]).

Table 5.2. Germany's performance on effective development co-operation, 2018

	Alignment and ownership by partner country				Predictability		Transparency		
	SDG 17.15 Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016 round	62.8%	47.7%	31.0%	84.0%	79.8%	62.1%	Excellent	Good	Needs improvement
2018 round	65.7%	52.7%	34.9%	85.5%	91.1%	75.1%	Fair	Excellent	Needs improvement
2018 DAC average	56%	53%	55%	82%	88%	65%			
Trend	▲	▲	▲	▲	▲	▲	▼	▲	—

Note: Data cover 15% of Germany's country programmable aid in 2018. Germany's reporting has improved in the 2020 Aid Transparency Index Report with KfW moving from "fair" rating up eight ranks to "good" and GIZ moving up two ranks (ATI, 2020[13]), Aid Transparency Index 2020, https://www.publishwhatyoufund.org/the-index/2020/.
Source: OECD/UNDP (2019[3]), "How development partners are promoting effective, country-led partnerships", in *Making Development Co-operation More Effective: 2019 Progress Report,* www.oecd.org/dac/effectiveness/Part-II-of-the-Global-Partnership-Progress-Report.pdf.

The BMZ 2030 reform strategy requires clear transition and exit strategies as well as frank communication with Germany's partner countries on the phasing-out of bilateral co-operation. Partner countries, however, were not involved in the process and were only informed of the results when the BMZ 2030 strategy was released in April 2020; some learned about the end of co-operation from the media. BMZ, German embassies and other federal ministries could have developed a clearer communication and exit strategy with partner countries - identifying areas and mechanisms to continue collaboration, for example via regional or triangular partnerships, co-operation with other federal ministries, or projects supported by CSOs or political foundations.

Germany could make greater use of partner country public financial management and country-owned results frameworks, planning tools and implementation capacity. As seen in Rwanda, procurement of German-funded activities can be done using national systems; the Rwandan government follows a pragmatic approach of seeing which system is more efficient and at times has decided to adopt international guidelines where necessary.

Germany has a broad range of instruments at its disposal to respond flexibly to partner countries' demands, with the COVID-19 response a good example to build on

Germany makes good use of its offices in partner countries, research institutions and think tanks to develop context analysis and understanding of partner countries. Against this background, Germany uses a broad range of financial (Chapter 3) and technical co-operation instruments; engages in EU joint programming; and participates in co-financing with other development partners and with multilateral organisations to better tailor its approaches to the partner country's demands and needs. In countries with a clear government strategy and vision for their development partners, such as Rwanda, Germany might involve partners in sequencing technical and financial co-operation early in planning.

The German COVID-19 response and additional support for partner countries (Chapter 3, Box 3.1), has shown that German co-operation can respond quickly, flexibly and effectively to new challenges. Furthermore, Germany's special initiatives on forced displacement stability in the MENA region, and training and job creation are valuable responses to the 2015 refugee crisis that have led to successful initiatives on tackling root causes of forced displacement, support for host regions, pathways

for legal migration, sustainable migration, reintegration and employment, e.g. in Tunisia. Germany could build on these experiences to enhance responsiveness and flexibility in its development co-operation.

Germany aims for participatory processes, taking into account the most vulnerable and marginalised groups in its programming and implementing. Building on its strength in the area of decentralisation, Germany could work more with grassroots initiatives, local groups and CSOs to support locally led change, including by engaging German municipalities in localising development initiatives.

Germany links the disbursement of ODA funds to the reform priorities of its six Africa reform partners

For the six African reform partners, reform financing, including as policy-based grants and policy-based loans, is tied to showing results that were previously agreed by the partner country and Germany. The reform partnerships are an essential part of the BMZ 2030 reform process and linked to both the Marshall Plan with Africa and G20 Compact with Africa (Chapter 2, Box 2.1). They are based on the commitment of these six countries (Côte d'Ivoire, Ethiopia, Ghana, Morocco, Senegal and Tunisia) to complete individual reform steps to promote private investment, vocational training and employment.

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Notes

[1] An example of KfW and civil society working together is a water and sanitation hygiene project in Burundi https://www.kfw-entwicklungsbank.de/ipfz/Projektdatenbank/Wasser-Hygiene-und-Sanit%C3%A4rprogramm-PEHAT-%C3%BCber-NRO-34033.htm.

[2] This is complemented by KfW's co-financing initiative with Agence française de Développement (AFD) the European Investment Bank (EIB), and the Mutual Reliance Initiative (MRI), which is planned to be expanded to a broader Team Europe co-financing platform, including Cassa depositi e prestiti (CDP), the Spanish Co-operation (AECID) and other European development finance institutions - contributing to increasing co-ordination regarding project financing within the Team Europe framework.

6 Germany's results, evaluation and learning

This chapter considers the extent to which Germany assesses the results of its development co-operation; uses the findings of evaluations to feed into decision making, accountability and learning; and assists its partner countries to do the same. The chapter begins with a look at Germany's system for managing development results and specifically whether the objectives of its development co-operation policies and programmes can be measured and assessed from output to impact. It then reviews the alignment of Germany's evaluation system to the DAC evaluation principles, looking specifically at whether an evaluation policy is in place, whether roles and responsibilities are clear, and whether the process is impartial and independent. Finally, it explores whether there is systematic and transparent dissemination of results, evaluation findings and lessons and whether Germany learns from both failure and success and communicates what it has achieved and learned.

In brief

Embedding a results culture to match Germany's evaluation capability

Germany recognises the centrality of achieving the 2030 Agenda and the Sustainable Development Goals (SDG) and aligns its development co-operation with partner country priorities. However, Germany's overall objectives are not articulated in ways that can be measured and assessed. While German implementing organisations have long experience with results-based management at project level, linking project outcomes to portfolio impacts remains a work in progress following the recent joint procedural reform, which introduced welcome intervention logic to bilateral programmes.

Further work is required to improve results-based management and embed a results culture within German development co-operation. The Federal Ministry for Economic Cooperation and Development (BMZ) does not systematically articulate the results it aims for in special initiatives and in country, regional and global programmes. Enhancement of its integrated data management system, and a broader set of quantitative and qualitative indicators, will help Germany better implement results-based management. Results information is used for accountability and communication, but not yet sufficiently for strategic direction and learning.

Germany has strong and respected evaluation capability. It strengthened its contribution to evaluation within the international community, and the approach to evaluation across Germany's development co-operation system continues to improve. Nevertheless, given the focus of the German Institute for Development Evaluation (DEval) on strategic evaluations and the focus of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW Development Bank (KfW) on projects and portfolios, consideration could be given to how to best allocate resources for evaluation. Additional considerations could enhance the quality of evaluations.

Independent evaluation functions exist, supported by plans and budgets. Decisions about topics for evaluations are made independently of policy making and delivery functions within the German development co-operation system. GIZ and the KfW development bank could improve their approach to evaluation in partner countries. DEval and GIZ continue to invest in strengthening evaluation capacity.

Networks exist for knowledge sharing and learning in sectoral and thematic areas across Germany's development co-operation system. However, knowledge management is challenging in the complex German system. Results information, evaluation findings and lessons are not yet disseminated systematically. BMZ and Deval are piloting a process to ensure stricter standards for implementing and mainstreaming implementation of recommendations from evaluations.

Management for development results

Germany contributes to the 2030 Agenda and aligns with partner countries' priorities

German development policy and the BMZ 2030 reform strategy recognise the importance of achieving the 2030 Agenda and the SDGs (BMZ, 2020[1]). The reform strategy clearly points out the contribution that the five core areas and ten initiative areas are expected to make to achieve the SDGs. In addition, Germany's refocusing of development co-operation with Africa aims to contribute to the African Union's Agenda 2063.

Partner country priorities inform German development co-operation. Country programmes outline the contribution German interventions make to priorities articulated in partners' national development strategies and plans.

Targets in strategies will focus as closely as possible to the SDGs. Recently approved guidelines on strategies for core and initiative themes, and country strategies requires alignment with the SDGs. As developing countries increasingly apply SDG indicators in their results frameworks, the SDGs will increasingly form a common framework for results (OECD, 2019[2]).

Results management is being extended from projects to portfolios

German implementing organisations have long experience with results-based management at project level. Results matrices — generally logical frameworks — are used by KfW and GIZ in developing projects and programmes, monitoring their progress, and steering and reporting on them (OECD, 2015[3]). This is particularly useful for projects and in field settings. The Development Effectiveness Rating (DERa) system,[1] introduced in 2017 by KfW subsidiary, Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), is used throughout the project cycle to measure contributions to development based on five outcome areas (DEG, n.d.[4]). It is being taken up by other development finance institutions such as the Development Bank of Austria (OECD, 2020[5]).

The joint procedural reform introduced intervention logic to bilateral programmes and links project outcomes to portfolio impacts. All programmes and projects are now required to use a results matrix and intervention logic, enabling implementing agencies to better design projects as part of bilateral portfolios and facilitating adaptation to challenges during implementation. This will contribute to BMZ's ability to manage country and sector portfolios. While special initiative interventions that form part of a country portfolio apply this approach, it is not yet applied comprehensively to all special initiative activities (Federal Government, 2020[6]).

Further work is required to improve results-based management and embed a results culture within German development co-operation

Germany's overall objectives are not always articulated in ways that can be measured and assessed. In its latest development strategy paper, *Development Policy 2030:/ New Challenges, New Solutions*, BMZ describes the significant global challenges facing the world and undertakes to respond to these (BMZ, 2018[7]). However, the strategy is largely input-based, describing actions Germany and its partners will take rather than articulating the results to which these efforts will contribute.

BMZ does not systematically articulate the results it aims for in special initiatives and country, regional and global programmes. The ministry's description of the Special Initiative on Training and Job Creation[2] outlines the results Germany aims to achieve, as it does in the Strategy for Interlinkages between Water, the Environment and Climate Change (BMZ, 2018[8]). However, BMZ is yet to do this systematically for the majority of its strategies and special initiatives.[3] The BMZ 2030 reform strategy envisages a more systematic approach. As it develops thematic, sectoral, country, regional and global strategies and updates or creates special initiatives, BMZ should clearly articulate the results Germany seeks to achieve and how it will contribute to the SDGs in line with the DAC Guiding Principles on managing for sustainable development results (OECD DAC, 2019[9]). Staff will require clear guidance on how to do this.

Enhancement of its integrated data management system, and a broader set of quantitative and qualitative indicators, will help Germany better implement results-based management. Current work within BMZ is focused on complementing binding quality standards with standard indicators, and the ministry plans to enhance its data management system (Federal Government, 2020[6]). While development of quantitative indicators is progressing, introducing qualitative indicators that track progress — including with quality criteria such as human rights, gender, environment and climate — is proving more difficult.

Given that its staff are mostly generalists, BMZ might consider recruiting staff with specialist skills in results-based management to help roll out a culture of results, investing more in training staff to manage for results and putting the necessary incentives in place to achieve this.

Results information is used by BMZ for accountability and communication, but not for strategic direction and learning. Aggregated results reporting enables Germany to record the results of engagement by GIZ and KfW in ten areas.[4] Since 2017, this information has been used to improve communication and accountability, though using it for steering and learning would greatly benefit German development co-operation.

Evaluation system

Germany's evaluation capability is strong and respected

Germany has strengthened its contribution to evaluation within the international community. BMZ and DEval are active participants in the DAC Network on Development Evaluation — DEval's Director is one of two vice-chairs — and played an active role in the revision of the DAC evaluation criteria. In addition, DEval is represented in the core management group of the COVID-19 Global Evaluation Coalition and is active in European and international research and evaluation networks.

The approach to evaluation across Germany's development co-operation system continues to improve. BMZ is currently developing guidelines for evaluating development co-operation. GIZ and KfW continue to build upon their strong in-house evaluation capability. DEval's focus is on development policies, objectives and instruments. Its institutional capacity has grown since the 2015 peer review, and its standing within the German system has improved. However, it continues to face a number of challenges, including staff retention. DEval's long-term ambition is to establish itself as a knowledge institute for German development co-operation.

Significant resources are invested by GIZ and KfW in evaluating development projects and programmes. Each year GIZ's evaluation unit steers evaluations of a sample of BMZ-funded activities. Corporate strategic evaluations, cross-section evaluations and evaluative studies are also undertaken along with evaluations of co-financing and those contracted by external or internal commissioning parties. KfW conducts ex-post evaluations of projects, including those funded by BMZ and BMU, cross-sectional evaluations and is increasingly undertaking thematic evaluations. Both implementing organisations publish reports summing up learning (GIZ, 2020[10]) (KfW Group, n.d.[11]).

There is room to consider how best to allocate resources for evaluation across the German development co-operation system. Mechanisms exist for co-ordination and collaboration amongst the entities engaged in evaluation. Nevertheless gaps remain. There is a need for systematic evaluation of special initiatives and country, regional and global programmes. There is also need to determine whether thematic and sectoral approaches, across all German development actors, are achieving more than the sum of the parts. Noting that portfolio management frequently focuses on individual priority areas that are often planned and implemented independently and without systematic consideration of interactions between them, DEval has proposed addressing this issue by undertaking country portfolio reviews. While a good start, systematic evaluation of country (and other) programmes is/ more likely to generate evidence for Germany to use in improving its development co-operation programmes (Hartmann and Vorwerk, 2019[12]).

Additional considerations could enhance the quality of evaluations. DEval policy briefs, in addition to sharing methods and standards used in its own evaluations (German Institute for Development Evaluation, 2018[13]), offer valuable suggestions for Germany and others to improve the quality of development evaluations as do the evaluation units of implementing organisations.[5]

The evaluation function is independent, but management responses to evaluations often lack specificity

Decisions about topics for evaluations are independent of policy-making and delivery functions within the German development co-operation system. In GIZ and KfW, the evaluation functions remain independent of programming departments, reporting directly to the management of both organisations. GIZ reformed its approach to evaluation in 2018 with a view to supporting evidence-based decisions, ensuring transparency and accountability, and contributing to organisation learning (GIZ Evaluation Unit, 2018[14]). KfW's evaluation unit focuses on ex-post evaluations of the impact of projects and programmes; it conducts the evaluations itself, and also assigns either KfW employees who have never been involved in the project and/or programme or external evaluators.[6]

Concerns about DEval's independence have proved unwarranted. While BMZ provides DEval's steadily increasing budget and approves its annual programme of evaluations, DEval is ultimately responsible for the programme. Internal and external proposals for strategic evaluation topics are collated by DEval and ranked using specific criteria. A draft programme is sent to DEval's Advisory Board and to BMZ and this is either adopted or declined in full; to date, the programme has never been declined.

More detailed management responses would enhance the value of evaluations for German development co-operation. BMZ's responses to findings and recommendations of DEval evaluations are quite generic, welcoming findings and describing actions that may be taken by way of response. These published management responses would be more useful if they also included specific action to be taken in response to each recommendation, who will take the action and the deadline for doing so, as is the case for more detailed implementation plans.[7]

GIZ and KfW could improve their approach to evaluation in partner countries. Both organisations could do more to facilitate local participation in the evaluation process, including through the use of participatory processes in evaluation.

Evaluation capacity is being strengthened in partner countries

DEval and GIZ invest in strengthening evaluation capacity. BMZ and DEval participate in the Global Evaluation Initiative.[8] DEval invests in evaluation capacity development in Latin America (Box 6.1) but might consider expanding this to other regions given Germany's much stronger presence in Asia and Africa. GIZ's evaluation teams include international and national evaluators. However, it could contribute better to building institutional evaluation capacity in partner countries, as it has done in Latin America by facilitating greater participation in its evaluations by counterparts.

Institutional learning

Networks exist for knowledge sharing and learning in sectoral and thematic areas

Germany benefits from strong research capacity. The German Development Institute draws on domestic and international expertise in development research and is committed to working with emerging economies from the global South. It initiated a T20 Africa Standing Group as part of Think T20 during Germany's G20 presidency in 2017.[9]

Germany has systems in place for managing sectoral and thematic knowledge and learning across its development co-operation system. Thematic issues are fed in to GIZ's decades-old sector network communities of practice and disseminated to partners, civil society institutions and project managers. GIZ sector specialists play a key role in contributing learning during the design of new initiatives. KfW and GIZ have competence centres and exchange platforms that staff draw on and that enable knowledge sharing,

including within regions, as seen in Tunisia (Annex C). Frequent reflection sessions are held with BMZ's regional and sector units, including on evaluation findings. However, more could be done to broaden these, including by using digital means of communication. KfW recently rolled out an application enabling its database to be searched by country and sector. This allows staff to directly access all lessons learnt from past evaluations when designing new interventions, tailored to the specific case.

Knowledge management is challenging in the complex German system

Results information, evaluation findings and lessons are not yet disseminated systematically within the German development co-operation system. Evaluation reports are published online by GIZ, KfW and DEval, offering the opportunity for findings and lessons to be drawn upon within and across institutions. Improvements in results-based management, particularly at portfolio, thematic and country levels, should enable Germany to better capture, store and disseminate results information; improvements in information management, data and information technology systems will be key to achieving this. Nevertheless, extending this from individual institutions to the system as a whole remains a challenge. BMZ and DEval are piloting a process to monitor the implementation of evaluation recommendations, specifically how intended steps for transferring recommendations into specific actions have actually been implemented.

Box 6.1. Building evaluation capacity in Latin America

A 2015 study of ten countries in Latin America showed that the use of national monitoring and evaluation systems was a work in progress and uneven across countries. Institutionalising monitoring and evaluation had been a decades-long effort with notable advances and systematic application in some countries and a mix of politics and occasional impact evaluations in others (Peréz-Yarahuán, 2020[15]). When decisions are made, political agendas may be more influential than evidence arising from evaluations. Other factors at play included the difficulty of understanding evaluation results; the results were insufficiently tailored to decision-making; shortcomings in quality meant results were not credible enough or did not attract attention. Where there is willingness to use evaluations, countries lack structures and qualifications for implementation. Efforts to build capacity in evaluation were often fragmented and targeted at single measures aimed at individual stakeholders rather than targeting the evaluation system as a whole.

The German Institute for Development Evaluation worked with the Latin American and Caribbean Network of Monitoring, Evaluation and Systematization to develop evaluation standards for Latin America, taking the cultural and ethnic specificities of the region into account (Krapp and Klier, 2016[16]). Building on a first phase project implemented by GIZ, DEval implemented a systematic evaluation capacity development approach in Costa Rica as part of a BMZ-funded project, *Fomento de Capacidades en Evaluación* (FOCEVAL), and introduced some elements in Ecuador and Guatemala. The initiative was implemented in co-operation with Government institutions, universities, evaluation societies, civil society and parliaments (Krapp and Geuder-Jilg, 2018[17]).

DEval's systematic approach to building evaluation capacity involves developing individual capacity, institutional capacity, and a conducive environment and facilitating collaboration between the three elements.[1] DEval worked with the Costa Rican Ministry of Planning to design a four-year national evaluation agenda and provided advice and support to develop a national evaluation policy. Training is increasingly offered by local providers. Methodology, personnel and finance were offered for various types of evaluations: a participatory evaluation tested the involvement of civil society; an evaluation of the poverty reduction strategy analysed multiple dimensions of poverty; and an evaluation of municipal services provided a learning opportunity for junior staff. Responsible institutions and actors were involved early in the process.

Strengths of the systematic approach to evaluation capacity development include promotion of evidence-based decisions; increased ownership and collaboration by different actors; and sustainability of the system when governments change. But there are limitations. It is difficult to implement the approach in authoritarian systems and fragile contexts as personal safety and the existence of critical organisations may be jeopardised. In stable and democratic countries, there is a need to set up processes and structures, publicise evaluation results and feed them into political decision making. Actors need to be willing to develop evaluation systems together and to request and use evaluations. As responsible government bodies largely determine the choice of evaluation topics, the evaluation function can lack structural independence, and it can be difficult to attract finance for training. Over time, however, systematic approaches to evaluation capacity development offer the opportunity to develop evidence-based policy in Latin America and beyond.

[1] Figure 2 in DEval Policy Brief 7/2018 depicts the interplay between the three different elements, https://www.deval.org/files/content/Dateien/Evaluierung/Policy_Briefs/DEval_Policy%20Brief_7.18_Foceval_EN_web.pdf.

Source: Krapp and Geuder-Jilg (2018[17]), *Evaluation Capacity Development: A systematic project approach by DEval in Latin America*, https://www.deval.org/files/content/Dateien/Evaluierung/Policy_Briefs/DEval_Policy%20Brief_7.18_Foceval_EN_web.pdf.

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Notes

[1] DEG uses a theory of change that tracks client activity, client outputs, the desired development effects or societal outcome, and societal impacts. The DERa tool uses five outcome categories: decent jobs, local

income, market and sector development, environmental stewardship, and community benefits. The first three categories assess what was achieved; the other two assess how these effects were achieved.

[2] The Special Initiative on Training and Job Creation aims to create 100 000 jobs and 30 000 training places in Africa, improve local working conditions, and promote sustainable economic growth. For further information, see www.bmz.de/en/issues/sonderinitiative_ausbildung_beschaeftigung/index.html.

[3] The One Health initiative contains four output indicators (e.g. number of instances where Germany has supported development of One Health strategies and programmes, number of people trained and number of people reached) and outlines action areas (BMZ, 2021[19]). The Special Initiative on Displacement reports on results (BMZ, 2020[20]) and the Strategy on Transitional Development Assistance requires results matrices for funded projects; however, neither articulates expected results.

[4] The areas covered are drinking water supply; primary and secondary education and vocational training; basic health; energy; reducing the causes of flight and assisting refugees; annual savings in greenhouse gas emissions and adaptation to climate change; employment; rural development, agriculture and food security; social security; and political participation and public administration services.

[5] DEval policy briefs examine a range of considerations, including how to evaluate sustainability and the use of causal mechanisms, geodata impact evaluation, and text mining. For more information, see www.deval.org/en/policy-briefs.html. The KfW evaluation unit is working with Agence Français de Développement on the use of geodata for evaluation in development co-operation. See www.mapme-initiative.org.

[6] For details of KfW's financial co-operation Evaluation Department, see www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Evaluations/Principles/. Assigning staff from programming departments is a key knowledge management tool for KfW and ensures feedback of lessons learnt into those departments.

[7] By way of example, the DEval evaluation of the develoPPP.de programme, authored by Hartmann, Gaisbauer and Vorwerk (2017[18]) contained 36 recommendations; it is available at www.deval.org/files/content/Dateien/Evaluierung/Berichte/DEval_develoPPP_Bericht_EN_web_final.pdf. BMZ's response was three pages long: https://www.bmz.de/en/zentrales_downloadarchiv/erfolg/BMZ_response_to_the_DEval_evaluation_developpp.pdf. BMZ publishes its responses to DEval evaluations at https://www.bmz.de/en/ministry/evaluation/Evaluation/evaluierungsberichte-stellungnahmen/index.html.

[8] The Global Evaluation Initiative aims to develop "country-owned, sustainable monitoring and evaluation frameworks and capacities to promote the use of evidence in public decision-making, enhance accountability, and achieve better results". For additional information, see www.globalevaluationinitiative.org/about-gei.

[9] For details about the T20 Africa Standing Group, see https://www.die-gdi.de/en/t20africastandinggroup/. For additional information about the German Development Institute, see www.die-gdi.de/en/.

7 Germany's fragility, crises and humanitarian assistance

This chapter first reviews Germany's efforts to engage in fragile, conflict-affected and crisis contexts. It assesses Germany's political directives and strategies for working in these contexts; the extent to which programmes are designed coherently to address key drivers of fragility, conflict and disaster risk and the needs of women and the most vulnerable; and whether systems, processes and people work together effectively in responding to crises. The second part of the chapter considers Germany's efforts to fulfil the principles and good practices of humanitarian donorship. It looks at the political directives and strategies for humanitarian assistance; the effectiveness of Germany's humanitarian programming and whether it targets the highest risk to life and livelihoods; and whether approaches and partnerships ensure high-quality assistance.

In brief

While coherence in crisis settings is improved, some further work remains to improve fitness for fragility

With renewed ambitions on the international stage, Germany remains a true proponent of peace and has designed a clear vision supported by a set of articulated policies. Germany's comprehensive approach also builds on the global reach and proactivity of its instruments in crisis contexts. As a traditional advocate for multilateralism, Germany cultivates its international influence and is championing policy discussions around the humanitarian-development-peace nexus as a means for better complementarity and coherence in crisis contexts.

Germany's investment in peace and conflict prevention has increased over the reviewed period. Yet, the remarkable increase in Germany's official development assistance (ODA) in recent years is not primarily invested in fragile contexts. In crisis contexts, the expansion of ODA led to a corresponding strengthening of Germany's partnership with multilateral actors, primarily to provide humanitarian or transitional assistance. As Germany engages more in peace and crisis prevention, support to grassroots and small- to medium-size civil society organisations active in this domain can remain important - in addition to multilateral partnerships - for ensuring a targeted impact and the granularity of its context analysis.

Germany's internal processes are well organised, and both BMZ and the Federal Foreign Office have significantly strengthened their co-ordination. The BMZ transitional development assistance instrument is particularly well-elaborated, and the Federal Foreign Office's humanitarian assistance is fit for purpose. It is clearly needs-based, grounded in the humanitarian principles, and the Federal Foreign Office is identified clearly as the entry point for humanitarian action. Moreover, Germany can be praised for its focus on anticipatory humanitarian action, which increases humanitarian effectiveness. Both Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW Development Bank (KfW) have also strengthened the modalities of their engagement in high risk contexts.

Two separate federal ministries, each with different funds and instruments, administer Germany's engagement in crisis contexts, which could result in parallel rather than complementary programmes. This is changing, and, Germany's engagement in some countries, Somalia and Iraq for instance, shows that the independence of each ministry is not necessarily an obstacle to a coherent engagement in crisis contexts. In particular, the modalities of a joint analysis and joint planning (GAAP) were agreed upon in 2019 by the Federal Foreign Office and BMZ. To build on these encouraging practices, it will be important to make clear that conflict sensitivity or a nexus approach to programming are relevant beyond the ten nexus and peace countries in BMZ's partner distribution. Going forward, refining the intersection between humanitarian assistance, and conflict-sensitive development cooperation, in particular the transitional development assistance and the special initiative on forced displacement, could help Germany spearhead the implementation of a nexus approach in all fragile contexts.

7.A Crises and fragility

Strategic framework

Germany is an active and efficient broker for global peace efforts

There is increased convergence of Germany's development co-operation policy and its foreign policy objectives, although each is the responsibility of a federal different ministry. Several crises in Europe's global neighbourhood have led Germany to be more ambitious in conflict management and settlement, with a recognition that fragility and crises have a direct impact on Germany's security and should be addressed (Federal Government, 2016[1]). As a result, Germany contributes substantially to the international debate around peace. Within that frame, development co-operation is designed to support Germany's efforts in conflict prevention and conflict management (BMZ, 2017[2]). Germany prioritises diplomatic efforts and multilateral conflict resolution mechanisms but may also engage its military forces in crisis contexts. Germany's most significant international engagement is in Afghanistan, where it has deployed troops since 2001 (NATO, 2015[3]), but stabilisation of the Sahel region with its partners has become a priority. While not engaged in combat, Germany has stationed around 1 100 troops in the Sahel as part of either the United Nations (UN) or European Union (EU) missions. Understanding that the drivers of crises and fragility are not military in nature, this security effort is combined with substantial development co-operation[1] (Federal Foreign Office, 2020[4]).

Germany has aligned its strategic framework to its vision for peace

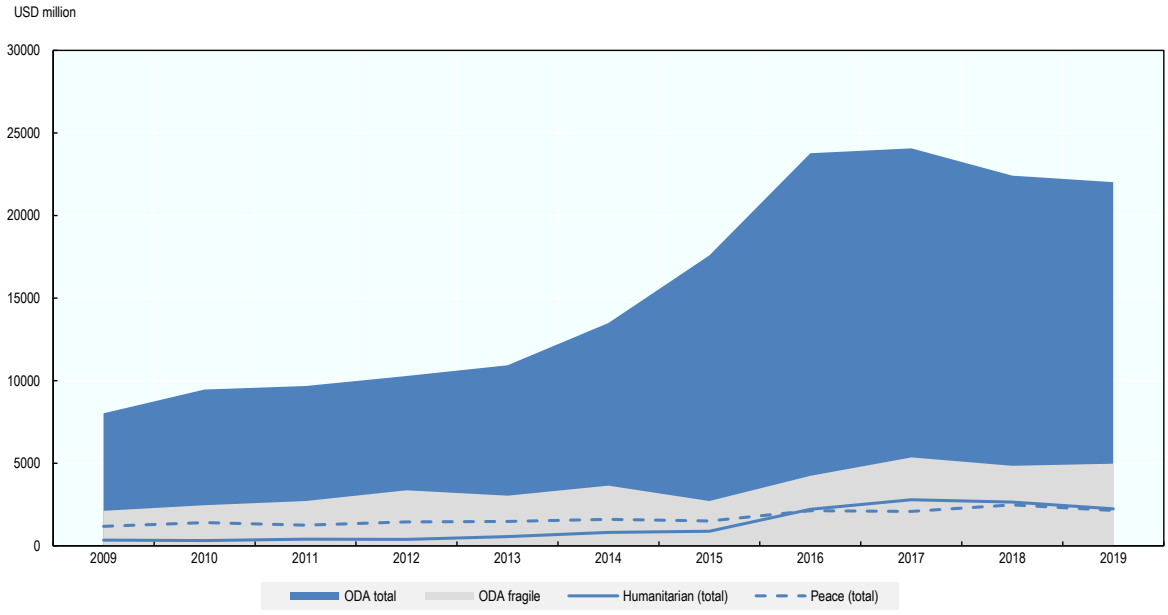
During the reviewed period, Germany has developed or renewed important cross-government strategies, using as their foundation the *Guidelines on Preventing Crises, Resolving Conflicts, Building Peace* (Chapter 4) (Federal Government, 2017[5]). The guidelines promote closer links between the issues of governance, fragility and conflict. From the security side, the 2016 White Paper on Security Policy and the Future of the Bundeswehr already called for strengthening the whole-of-government approach (Federal Government, 2016[1])). A set of thematic policies articulate Germany's vision for peace in the fields of crisis prevention, conflict resolution and peacebuilding in a particularly coherent combination.[2] Additional policies are being designed on conflict prevention and fragility. Germany's position on fragility is evolving with new learning, new commitments and new policy initiatives. In 2020, BMZ published its overall development strategy on transitional development assistance (BMZ, 2020[6]). Germany's main operational organisations, GIZ and KfW, have also designed a set of specific guidance and strategies for engaging in fragile contexts (GIZ, 2021[7]), (KfW, 2020[8]). These guidelines are effective: Through KfW and GIZ, Germany is now involved earlier in recovery contexts including outside the main mediated crises, as is the case with its involvement with the Gambia Stabilisation Fund (ECOWAS, 2019[9]).

Germany's ODA is not primarily mobilised towards fragile contexts

While peacebuilding has remained a core area in Germany's development policy, most of Germany's bilateral ODA is not primarily geared towards fragile contexts. In 2019, Germany mobilised 23% of its total ODA in fragile contexts, less than the DAC average of 33%. In spite of this lower ratio, Germany was the third largest donor of bilateral ODA to fragile contexts among DAC members in terms of volume. In addition, while remaining slightly below the 11.27% DAC average in 2019, Germany's peace-related expenditure increased over the full reviewed period to reach 9.72% of total ODA to fragile contexts; this is closer to the 10.18% share for humanitarian expenditure[3] (Figure 7.1).The share of peace-related expenditure allocated to crisis prevention has also increased slightly — an encouraging evolution — to 3.46% of Germany's ODA in 2019, slightly above the DAC average of 2.92%. In very fragile contexts, the largest ODA share, 31.55%, goes to humanitarian response. Because it focuses on trade, private

sector investment and job creation, the BMZ Marshall Plan with Africa (BMZ, 2017[10]) does not target those contexts that are least conducive to such investments, though 53% of Germany's ODA to fragile states is allocated to Africa.

Figure 7.1. Germany's ODA engagement in fragile contexts



Note: Figure presents gross ODA disbursements (2009-19) at USD 2018 constant prices.
Source: OECD (2021[11]), *States of Fragility – Donor profiles* (database), https://www3.compareyourcountry.org/states-of-fragility/donor/0/.

StatLink https://stat.link/opv09z

Germany is engaged in many fragile contexts beyond just its nexus and peace partners

Coherence and complementarity among different instruments are good development practice throughout development co-operation engagement beyond nexus and peace partner countries. In its new strategy, BMZ has created a group of ten "nexus and peace" countries in which addressing fragility is a key focus (BMZ, 2020[12]). However many of Germany's long-standing partner countries listed in the "bilateral partnership" category are fragile, some of them extremely so, and these countries benefit from both BMZ transitional assistance and the Federal Foreign Office's humanitarian assistance. In addition, GIZ considers that 54 of the 120 contexts it engages with are fragile. KfW is active in 47 fragile contexts (Balthasar, 2020[13]). As conflict sensitivity is one of the BMZ's six quality criteria (BMZ, 2020[12]), it will be important to make clear to Germany's programming staff and partners that conflict sensitivity or a nexus approach to programming is relevant across its portfolio, including the BMZ Marshall Plan with Africa, and beyond the ten countries experiencing the most severe crises.

Effective programme design and instruments

Co-ordination has increased across a complex development system

Creating incentives and routine collaboration for staff can help systematise complementarity among different parts of the administration. Because intervening in crises abroad relates directly to

Germany's foreign policy, the Federal Foreign Office deals with crisis prevention, conflict resolution and peacebuilding (Federal Foreign Office, 2021[14]). In addition to its transitional development assistance, BMZ has also been engaged through its development co-operation. . There are obvious linkages between these streams of engagement, and Germany is aware that global challenges and increased funding require more co-ordination across its complex development system. As a result, Germany has complemented its different strategies with a number of thematic interministerial working groups and operational guidelines, leading to an improvement in the way different ministries interact and jointly analyse crises contexts. In particular, the modalities of a joint analysis and joint planning (GAAP) were agreed upon in 2019 by the Federal Foreign Office and BMZ This is good practice. Yet, given the independence of each ministry within the German system (Federal Government, 1956[15]), effective co-ordination requires balancing different objectives in dealing with crises. In addition to the guidance in place, Germany can build on the pragmatism and some good co-ordination practices that exist in partner countries between Germany's stakeholders (Chapter 4).

The earlier engagement from other actors in crisis helps preserve the humanitarian mandate

The two separate federal ministries, each with different funds and instruments, administer Germany's engagement in crisis contexts, which could result in parallel rather than complementary programmes. The scope of humanitarian assistance in the context of transition managed by the Federal Foreign Office and transitional development aid managed by BMZ was delineated in a specific guide as early as 2012 to avoid overlap (Federal Foreign Office, BMZ, 2012[106]). However, Germany did not always make the best of its improved co-ordination between the Federal Foreign Office and BMZ. This is changing: Germany's new humanitarian strategy calls for the early engagement of other actors in crisis contexts to prevent the emergence and growth of humanitarian need and reduce dependence on assistance and does not refer to transitional humanitarian assistance (AA, 2019[108]). This is in line with the principle of "prevention always, development wherever possible and humanitarian action when necessary" outlined in the DAC Recommendation on the Humanitarian Development Peace Nexus (OECD, 2019[109]). Revising the guide to describe the tasks of the Federal Foreign Office and BMZ in fragile contexts in the light of recent policy developments could help Germany to improve further the coherence and complementarity of its aid in fragile contexts, preserving the independence of each Ministry.

Transitional development assistance could be mobilised more systematically

BMZ's transitional development assistance remains a key instrument in Germany's toolbox to promote peace and help prevent conflicts, **and it could do even more** (BMZ, 2020[6]). Transitional development assistance is not a new instrument for Germany, but it has been refined and extended since the last peer review to become one of the DAC's most elaborate crisis management instruments. In addition, special initiatives — among them the Special Initiative on Displacement (BMZ, 2020[16]) and ONE WORLD – No Hunger (BMZ, 2015[17]) — give a particular policy focus and political weight to specific areas such as forced displacement and the fight against hunger. Each with its own dedicated budget, such initiatives can further fragment Germany's engagement (Chapter 2). However, when integrated within BMZ's programming process, as seen in Colombia where the special initiative on forced displacement was integrated into the peaceful and inclusive societies core area, these can also have a synergetic effect that is often missing in such vertical political initiatives. Bringing BMZ's transitional development assistance as early as possible into a crisis context also provides other opportunities for synergies with the Federal Foreign Office through crisis prevention and peace.

Germany accepts and shares the inherent risks of working in fragile contexts

Partners of both BMZ and the Federal Foreign Office clearly feel that the inherent risks of operating in difficult contexts are shared — and not merely transferred to them. Germany's federal ministries and implementing organisations have developed mechanisms that draw on systematic analyses to ensure a proper contextual understanding accompanies engagement in fragile contexts. These include joint Federal Foreign Office and BMZ analysis, peace and conflict analysis as well as early warning systems to measure the potential for crisis escalation. As such, Germany is not only looking at the programmatic risks to itself, but also assesses the overall risk environment, including political risks. Germany assesses the risks of unintentionally prolonging or intensifying conflict and has also set up strong risk management systems within GIZ and KfW.

Tackling the root causes of forced displacement and support to refugees and host regions is one of Germany's core areas

The increased migration flow to Europe has influenced Germany's policy, **and supporting forcibly displaced people is a key element in Germany's response to crises**. Germany is a prominent supporter of multilateral initiatives to support forcibly displaced persons such as the Comprehensive Refugee Response Framework (Günther, 2017[18]). Its special initiatives aimed at "helping refugees build a future", "tackling the root causes of displacement" and "[re-]integrating refugees" (BMZ, 2020[16]), support Germany's prominent role in the global policy discussions. They also led to the Global Compact on Refugees (2018), and the Global Refugee Forum (2019,) of which Germany is a co-convener. This policy focus is matched with significant resources that increased from EUR 158 million[4] (USD 175 million) in 2015 to a peak of EUR 668 million (USD 761 million) in 2020, representing the biggest allocation pledge for special initiatives (Federal Government, 2020[19]).

The women, peace and security agenda is prioritised and supported

Aware that gender inequality is both a cause and a consequence of fragility, Germany supports the agenda of UN Security Council Resolution 1325 (UN, 2000[20]). Germany launched its third UNSCR 1325 National Action Plan in 2021, (Federal Foreign Office, 2021[21])which gives a prominent place to the role of women in conflict resolution and peace efforts and the prevention of gender-based violence. This focus manifests in activities such as dialogues on peace, through which peace activists are trained in methods of gender-sensitive conflict mediation and dialogue facilitation. In its plan, Germany also aims to strengthen international criminal jurisdiction and work to end impunity of perpetrators of sexual and gender-specific violence at national and international level. In other sectors, Germany supports its policy commitment with significant financial resources.[5]

Effective delivery and partnerships

Germany has a solid footprint in fragile contexts

With 46 embassies in fragile contexts[6] (Federal Foreign Office, 2021[22]), including 24 with a permanent BMZ presence (BMZ, 2021[23]), Germany has a solid footprint in contexts where development co-operation and humanitarian assistance represent the main features of Germany's engagement. In partner countries where the co-operation portfolio goes beyond aid such as in Colombia, Germany is able to blend humanitarian objectives with technical support and capacity building of national or local authorities, which is good practice and reflects a more granular analysis of the context at subnational level. Germany seeks to learn from evaluations and from others in order to better understand the complexity and challenges of fragile contexts (Box 7.1). To bring coherence and complementarity across Germany's engagement in

crisis contexts, it is also important that country strategies take into account the breadth of Germany's activities and objectives to inform Germany's political dialogue.

The multilateral system is a main channel of delivery in fragile contexts

Germany has built particularly strong partnerships with the multilateral organisations it supports, and has become one of their largest and most indispensable donors. Germany is committed to strengthening the multilateral system (Chapters 2 and 3) and to improving the efficiency of the system's crisis response. Partnership goes beyond funding: For multilateral partners, it involves risk sharing and strategic dialogue that leads to global policy initiatives such as on forced displacement. Germany also acts as a broker to guide joint analysis and to realise joint projects among its partners such as the World Food Programme, the Food and Agriculture Organization, and the UN Children's Fund. An example is its support to these partners' joint projects in the Democratic Republic of the Congo (Food and Agriculture Organization, 2020[24]). In this regard, Germany is instrumental in steering its UN partners to implement the DAC Recommendation on the Humanitarian-Development-Peace Nexus. Going forward, it will be important for Germany not only to assess the achievement of each of the separate entities that are reporting and communicating on Germany's support, but also to assess whether and how such a joint approach brings more coherence and effectiveness in the overall response, for example through common reporting and evaluation.

Germany uses the EU as the default platform for collective efforts

EU joint programming is the default platform for Germany to co-ordinate with other European donors (Chapter 5). However, when Germany has a strong political interest to co-ordinate closer, it also engages in strong bilateral or multilateral partnerships with other donors, one of the most visible examples being the Alliance Sahel that it launched with France in 2017 and that other bilateral donors subsequently joined.

Germany is steering the humanitarian-development-peace nexus

Germany's efforts to bring more coherence to its engagement in fragile contexts predate the adoption of the DAC nexus recommendation. The last peer review in 2015 took note of those efforts. Through its consistent work at policy level — including through the International Network on Conflict and Fragility, of which it is a co-chair and active member — Germany has designed tools to address needs generated by protracted situations. In particular, technical expertise is deployed in crisis contexts to enhance the peace impact of its engagement, and Germany is supporting the alignment of different institutions in responding to crises, for example between the World Bank and the World Food Programme (World Bank, 2018[25]), or within the European Union and its nexus pilots.

Germany looks at long-term impact

Germany started to focus on long-term collective impact. The meta-review of ten years of ODA in Afghanistan, released in 2020, is a striking example of the relevance of such a long-term view in measuring impact to inform future planning (Zürcher, 2020[26]) (Box 7.1). Germany is also reviewing humanitarian and development assistance to Iraq (Federal Government, 2020[19]). This is good practice, and Germany is encouraged to integrate such learning into its programming in crisis contexts, share its learning with the DAC and set such impact evaluation as standard practice. At operational level, Germany relies on its partners' reports for information on programme outcomes, but has also evaluated its development co-operation in fragile contexts, bringing critical knowledge about what works in fragile contexts and what does not (German Institute for Development Evaluation, 2019[27]).

Box 7.1. Meta-Review of Evaluations of Development Assistance to Afghanistan, 2008-18

In 2018, BMZ commissioned a meta-review of 148 evaluation reports of international development assistance to Afghanistan published from 2008 to 2018. The reviewed evaluations were undertaken by bilateral and multilateral donors as well as civil society organisations. The objective of this exercise was to review the experience of international donors in Afghanistan over a decade in order to assess the relevance of a long-term collective effort. Whereas the findings will inform future German priorities and engagement in Afghanistan, such a meta-review also brings relevant learning for the global development community as a whole about engagement in fragile countries and protracted crises.

Overall, the Meta-Review found that while most projects were relevant, their efficiency and effectiveness were an issue to a varying extent depending on the sector reviewed. Access to basic health care and education improved significantly over the period as did access to clean water and basic infrastructure. However, the sustainability of achieved results raised serious concerns across all sectors and donor support has sometimes led to negative impacts. For example, the governance sector is generally seen as a priority in addressing the root causes of fragility. Official donors invested up to USD 21.7 billion, or 38% of the overall ODA in Afghanistan over the 2008-18 period, into the government and civil society sector, including in capacity building, public sector development, democracy promotion, election support, anti-corruption programmes, and peace and security. In spite of this considerable investment, the different evaluations report low effectiveness of such programmes and note that programmes rarely succeeded.

The critical challenges identified in Afghanistan are likely to be important points to consider in other crisis contexts. Such meta-reviews could usefully be replicated by Germany in other protracted crises and substantially increase Germany's role in shaping development and humanitarian policy dialogue.

Note: The government and civil society sector corresponds to OECD Creditor Reporting System purpose code 151. The sub-sectors do not correspond exactly to the governance sector in the meta-review, as activities reported under this label differ from one evaluation to another.
Source: Zürcher (2020[26]), *Meta-Review of Evaluations of Development Assistance to Afghanistan, 2008-* 2018**,** https://www.ez-afghanistan.de/sites/default/files/Summary%20Paper%20Meta-Review%20of%20Evaluations%20Afghanistan%20March%202020_0.pdf.

7.B Humanitarian assistance

Humanitarian assistance strategic framework

A new humanitarian policy has been released

Germany has modernised its humanitarian policy, notably to incorporate its commitments at the World Humanitarian Summit as well as evolving global policies (Federal Foreign Office, 2019[28])**.** In addition to humanitarian assistance, the Federal Foreign Office is managing Germany's crisis prevention and stabilisation efforts. As such, humanitarian assistance is part of Germany's commitment to peace and security, in acknowledgment that humanitarian assistance can have an impact on peace (Federal Foreign Office, 2019[29]). Like several other DAC members, Germany is successful in maintaining a delicate balance between shielding its humanitarian assistance from political influence and further integrating its humanitarian assistance within a whole-of-government operational framework. For example, Germany sees its engagement in northern Iraq as a nexus best practice (BMZ, 2020[30]). It demonstrates that joint

programming can respect each instrument's individual mandate, purpose and objectives, strategic goals, and budget lines.

Humanitarian funding decisions are primarily based on partners' appeals

Germany is mindful of providing its humanitarian assistance strictly based on humanitarian needs, and those needs are assessed by its partners. However, while Germany has almost quadrupled its humanitarian budget since the last review, there will always be greater needs than funds available. Therefore, Germany must decide which to address first, a dilemma common to every humanitarian donor across the DAC. Because it relies on trusted partners, Germany is striving to let its partners decide which needs are the most critical and uses flexible mechanisms. For example, its support to the UN Central Emergency Response Fund (UN, 2020[31]) and to other pooled funds has increased significantly since the last peer review, which is also consistent with Germany's commitments at the World Humanitarian Summit, notably the Grand Bargain (Inter-Agency Standing Committee, 2016[32]). Going forward, Germany will have to assess the increase in softly earmarked support provided through those funds is consistent with the priority of forgotten crises set out in its humanitarian policy.

Effective humanitarian programming

Germany's humanitarian assistance is based on principles, protection and anticipation

Germany's partnerships are based on mutual trust, and it consults early on with humanitarian organisations about its humanitarian responses and comes to a rapid agreement. Germany takes an extra step: A trademark of Germany's humanitarian assistance is that it is anticipatory and forward looking A. It was a pioneer in forecast-based financing, notably with the German Red Cross and the International Federation of Red Cross and Red Crescent Societies and under the umbrella of the Action Plan of the Federal Foreign Office for Humanitarian Adaptation to Climate Change (Federal Foreign Office/German Red Cross, 2015[33]). Germany has also extended its anticipatory approach with multilateral partners and non-governmental organisation (NGO) networks such as the START crisis anticipation fund (James, 2021[34]). This is good practice, and Germany could share its experience with other members.

Localising Germany's humanitarian response remains a challenge in practice

Germany has put a great deal of policy emphasis on localisation of aid. As it is for all DAC members, this remains a challenge in practice. Germany is pragmatic and probably as direct as it can possibly be within its existing administrative and legal constraints and capacities. Most of its support to local aid providers is offered through a single intermediary, either a UN or NGO partner (Inter-Agency Standing Committee, 2020[35]). It contributes to several indirect mechanisms that allow support to local responders, such as UN country based pooled funds (CBPF), whose share of national recipients is increasing regularly and reached 26.1% in 2020 (UN OCHA, 2021[36]). Over the review period, Germany has become the second largest donor to CBPF in line with some of its commitments at the World Humanitarian Summit (Agenda for Humanity, 2016[37]).

Effective delivery, partnerships and instruments of humanitarian assistance

Efficient rapid response mechanisms are in place

Germany is able to respond swiftly to disasters in developing countries, based on solid disaster management organisations at national and federal state level. As for many other sectors of intervention in

crises, the EU Civil Protection Mechanism is an important framework within which Germany contributes its civil protection and military logistical capacities. Under the overall responsibility of the Federal Ministry of the Interior, Building and Community, the Federal Office of Civil Protection and Disaster Assistance) and the Federal Agency for Technical Relief (THW) are engaged in projects to help other states strengthen their civil protection capacities and capabilities. THW is a governmental non-profit organisation. As a technical and operational agency, its tasks include assistance in emergencies after a disaster and capacity building, including in fragile or crisis contexts such as Iraq (THW, 2021[38]).

German humanitarian assistance builds on a strong sense of partnership, mainly with the UN system

With its significant increase in humanitarian funding, Germany is relying more on multilateral channels, including for its bilateral co-operation. The use of multilateral channels for humanitarian assistance rose from 47% in 2015 to 69% in 2016, with limited variation since then (OECD, 2021[39]). Multilateral partners interviewed for this review are unanimous in praising Germany's partnership when engaging in fragile or crisis contexts. Beyond flexible funding modalities, Germany also exchanges with its partners to shape the global humanitarian policy agenda. In line with its commitment at the World Humanitarian Summit, Germany continued to increase the multi-year funding share of its humanitarian budget, which reached 75.2% in 2019 (Inter-Agency Standing Committee, 2020[35]). With humanitarian NGOs, the partnership entails more compliance requests. It is well structured through the Humanitarian Aid Coordinating Committee, bringing together all Germany's actors in humanitarian assistance, notably VENRO, the umbrella organisation of development and humanitarian NGOs in Germany. However, this partnership with smaller NGOs remains more limited, notably because of the rapid increase in humanitarian budgets that tend to favour large projects from multilateral or civil society organisations with large absorption capacity (VENRO, 2020[40]).

Approach to civil-military co-ordination

Germany abides strictly by the UN guidelines on the use of military assets in crises. In particular, Germany's humanitarian strategy refers to the use of foreign and civil defence assets in disaster relief (UNOCHA, 2007[41])as well as the guidelines on the use of military and civil defence assets to support united nations humanitarian activities in complex emergencies (UNOCHA, 2006[42]) (UN OCHA, 2003[43]). Germany seldom uses its armed forces to provide humanitarian assistance. Germany has learned from its long experience in Afghanistan that assistance provided by professional civilian actors improves the chances over the long term that assistance reaches the most vulnerable.

Organisation fit for purpose

The Federal Foreign Office is identified clearly as the entry point for humanitarian action

Germany upholds humanitarian neutrality, notably in carefully selecting humanitarian partners that are guided by humanitarian principles, and the Federal Foreign Office is the clear entry point for partners' emergency humanitarian action. As is the case for several other DAC members, Germany's foreign ministry — the Federal Foreign Office — manages humanitarian assistance. While the increase in the humanitarian budget over the review period led to a staff increase, humanitarian NGOs consider staffing insufficient to ensure Germany is able to manage medium-sized and smaller projects that can have a sustainable impact at local level but come with a higher management cost (VENRO, 2020[40]). Since 2015, humanitarian assistance has been managed in the same directorate as crisis prevention, stabilisation and post-conflict reconstruction (Federal Foreign Office, 2021[44]). These different instruments with different objectives and operating principles are working in the same environments and grouping them

under the same structure can improve synergies among two working cultures and ultimately create a shared understanding of the political economy of a crisis. Implementing the DAC Recommendation on the Humanitarian-Development-Peace Nexus can help Germany make the best of this administrative architecture and better assess the humanitarian actors' contribution to peace.

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Notes

[1] On average over 2018-19, Germany has spent USD 286 million in the three countries in the Sahel that are most affected by the current crisis: USD 117 million in Mali, USD 103 million in Niger and USD 66 million in Burkina Faso. For further details, see the OECD (2021[39]) Creditor Reporting System database at https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

[2] The thematic policies cover, notably, promoting the rule of law, security sector reform and transitional justice. These are described, respectively, in (Federal Foreign Office, 2019[46]), https://www.auswaertiges-amt.de/blob/2248210/65a178ff3ed0b537fd08e92b24a2bd7d/190917-rechtsstaatsfoerderung-data.pdf; (Federal Foreign Office, 2019[48]), https://www.auswaertiges-amt.de/blob/2248208/44c6eebba11f48b74243f2434535943d/190917-sicherheitssektorreform-data.pdf; and (Federal Foreign Office, 2019[47]), https://www.auswaertiges-amt.de/blob/2248206/633d49372b71cb6fafd36c1f064c102c/190917-vergangenheitsarbeit-und-versoehnung-data.pdf.

[3] BMZ (2013[45]) set its own peace and security marker in 2013, measuring whether contributing to peace and security is an important secondary objective or the objective of a project or programme. For BMZ, the peace and security area consists of support to address the causes of conflict, fragility and violence; improve the capacity for non-violent conflict management; create the environment for peaceful and inclusive development. See https://www.bmz.de/en/publications/topics/peace/Strategiepapier333_04_2013.pdf. For comparison purposes, this peer review used the OECD (2021[11]) dataset for peace expenditure at http://www3.compareyourcountry.org/states-of-fragility/overview/0/.

[4] Figures in this paragraph were provided by Germany.

[5] For example, over the second UNSCR 1325 National Action Plan, (2017-20), Germany is providing EUR 10 million in funding to support women's political participation in peace and transition processes in countries including Iraq, Libya, Syria and Yemen (memorandum).

[6] For details on fragile contexts identified on the OECD (2021[11]) fragility framework, see the States of Fragility platform at https://www3.compareyourcountry.org/states-of-fragility/overview/0/.

Annex A. Progress since the 2015 DAC peer review recommendations

Towards a comprehensive German development effort

Recommendations 2015	Progress
In updating its National Sustainable Development Strategy, Germany should prioritise a few areas of domestic or foreign policy where it can address incoherence or achieve greater coherence with development benefits. Monitoring progress towards more coherent policies will be required.	Partially implemented

Vision and policies for development co-operation

Recommendations 2015	Progress
To inform development co-operation programming within government and guide partners, Germany should translate the Charter for the Future into an operational framework.	Implemented
Germany needs to bring its allocation criteria and instruments in alignment with its policy.	Implemented
BMZ should match its commitment to mainstreaming gender equality and other cross-cutting issues with the leadership, resources and tools needed to deliver.	Partially implemented

Aid volume and allocation

Recommendations 2015	Progress
Germany should set a time-bound path for increasing its aid volumes to meet the 0.7% ODA to GNI commitment.	Partially implemented
As the development co-operation budget grows, Germany should prioritise increasing support to least developed countries in order to reach the 0.20% ODA/GNI target within the timeframe of the 2030 Agenda, as agreed within the EU context.	Partially implemented

Organisation and management

Recommendations 2015	Progress
To implement the 2030 Agenda, BMZ needs to fulfil its steering function for German development co-operation to the full. Streamlining communication across the entire system would facilitate BMZ's oversight while reducing transaction costs.	Partially implemented
BMZ should speed up its programming process and ensure procedures are flexible enough to respond to conditions on the ground, without compromising quality and integrity.	Partially implemented

Development co-operation delivery and partnerships

Recommendations 2015	Progress
To strengthen the predictability of its programmes and strategic planning, BMZ should speed up the process of finalising its country strategies.	Partially implemented
Germany needs to identify ways of increasing gradually its use of partner country systems, working closely with other development partners.	Partially implemented
To maximise the impact of its support to civil society and reduce transaction costs, BMZ should consider how to provide multi-year programme funding rather than supporting small, stand-alone projects.	Partially implemented

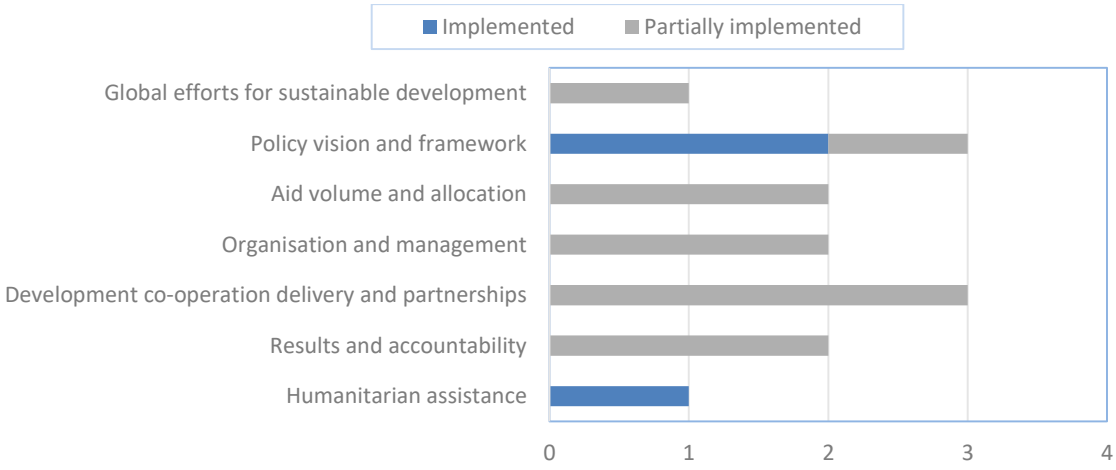
Results and accountability

Recommendations 2015	Progress
Drawing on its experience with programme results matrices, BMZ should adopt a results-based management system which is fit for its needs of improving decision making and being accountable.	Partially implemented
BMZ needs to work through how the evaluation set up functions in practice to ensure it gets and makes full use of the independent evidence needed to drive the overall programme more strategically.	Partially implemented

Humanitarian assistance

Recommendations 2015	Progress
To ensure a holistic German humanitarian response, BMZ needs to clarify how its transitional funding and Special Initiatives will be used, and make these funds more predictable and easier to access.	Implemented

Figure A.1. Germany's implementation of 2015 peer review recommendations



Annex B. OECD DAC standard suite of tables

Table B.1. Total financial flows

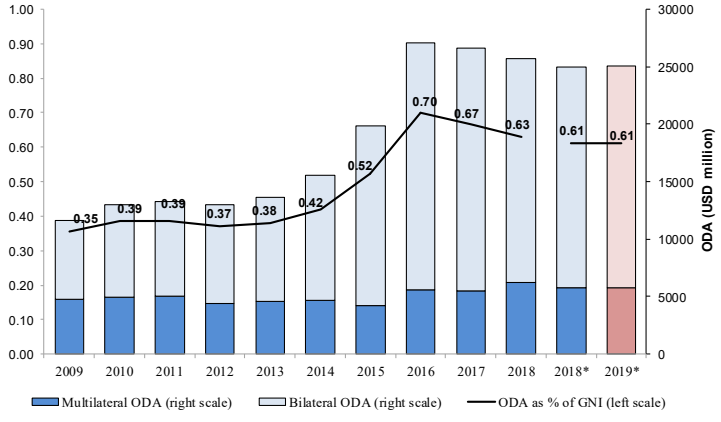
USD million at current prices and exchange rates

Table 1. Total financial flows
USD million at current prices and exchange rates

Germany	2005-09	2010-14	2015	2016	2017	2018	2019
							Grant equivalent
ODA grant equivalent	..	..	..	-	-	**24 977**	**24 198**
ODA grant equivalent (at constant 2018 USD million)	..	..	..	-	-	**24 977**	**25 032**
ODA grant equivalent (as a % of GNI)	..	..	..	..	..	***0.61***	***0.61***
							Net disbursements
Total official flows	**13 867**	**14 143**	**19 265**	**24 278**	**24 648**	**25 553**	**24 136**
Official development assistance	**11 774**	**14 162**	**17 940**	**24 736**	**25 005**	**25 670**	**24 122**
Bilateral	7 718	9 279	14 113	19 636	19 818	19 458	18 506
Grants	7 684	7 780	10 439	16 692	17 900	17 019	16 706
Non-grants	34	1 499	3 674	2 945	1 918	2 440	1 800
Multilateral	4 056	4 883	3 827	5 099	5 187	6 212	5 617
Other official flows	**2 093**	**- 20**	**1 325**	**- 458**	**- 357**	**- 117**	**14**
Bilateral: *of which*	2 093	- 20	1 325	- 458	- 357	- 117	14
Investment-related transactions	511	98	- 102	- 130	- 25	243	362
Multilateral	-	-	-	-	-	-	-
Officially guaranteed export credits	**- 653**	**5 104**	**1 866**	**3 450**	**6**	**1 388**	**-1 948**
Net Private Grants	**1 427**	**1 480**	**1 381**	**1 424**	**1 490**	**1 363**	**1 528**
Private flows at market terms	**17 013**	**27 005**	**25 115**	**20 048**	**27 594**	**23 679**	**18 477**
Bilateral: *of which*	16 720	**27 093**	24 028	18 210	25 918	21 473	18 079
Direct investment	12 289	20 643	16 639	11 242	16 324	16 184	11 381
Multilateral	293	- 88	1 087	1 838	1 676	2 206	398
Total flows	**31 654**	**47 731**	**47 627**	**49 199**	**53 738**	**51 983**	**42 193**
for reference:							
ODA net flows (as a % of GNI)	*0.36*	*0.39*	*0.52*	*0.70*	*0.67*	..	..
ODA net flows (at constant 2018 USD million)	*12 023*	*13 706*	*19 811*	*27 081*	*26 576*	*25 670*	*24 954*
Total flows (as a % of GNI) (a)	*0.98*	*1.31*	*1.39*	*1.39*	*1.43*	*1.27*	*1.07*
ODA to and channelled through NGOs - In USD million	*784*	*1 042*	*1 051*	*1 313*	*1 488*	*1 610*	*1 666*
ODA to and channelled through multilaterals - In USD million	*4 332*	*5 509*	*4 863*	*8 044*	*8 588*	*9 781*	*9 185*

a. To countries eligible for ODA.

ODA net disbursements
At constant 2018 prices and exchange rates and as a share of GNI



* ODA as percentage of GNI is in grant equivalents basis

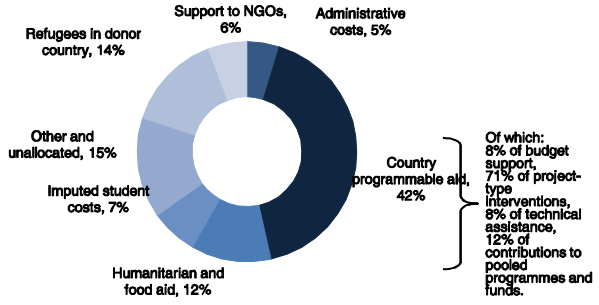
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Table B.2. ODA by main categories

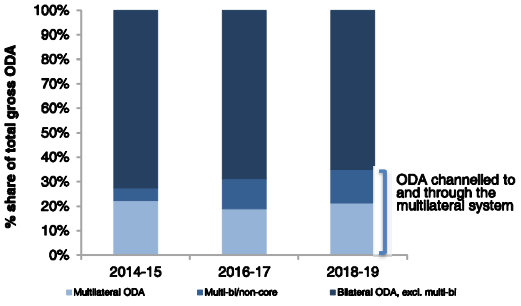
Disbursements

Germany	Constant 2018 USD million					Per cent share of gross disbursements					Total DAC
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2018 %
Gross Bilateral ODA	**17 585**	**23 778**	**24 073**	**22 425**	**22 018**	**81**	**81**	**81**	**78**	**79**	**73**
Budget support	829	697	303	1 384	764	4	2	1	5	3	2
of which: General budget support	13	3	2	267	360	0	0	0	1	1	1
Core contributions & pooled prog.& funds	1 232	2 460	2 311	3 174	3 344	6	8	8	11	12	15
of which: Core support to national NGOs	696	814	805	876	865	3	3	3	3	3	1
Core support to international NGOs	10	18	23	37	32	0	0	0	0	0	1
Core support to PPPs	4	100	129	30	35	0	0	0	0	0	0
Project-type interventions	9 297	10 494	11 450	9 866	9 748	43	36	39	34	35	37
of which: Investment projects	6 094	5 850	5 798	4 704	4 218	28	20	20	16	15	12
Experts and other technical assistance	978	1 005	1 216	1 136	1 200	4	3	4	4	4	3
Scholarships and student costs in donor countries	1 137	1 186	1 278	1 401	1 603	5	4	4	5	6	2
of which: Imputed student costs	1 036	1 095	1 196	1 323	1 527	5	4	4	5	5	1
Debt relief grants	47	47	111	25	41	0	0	0	0	0	0
Administrative costs	583	546	811	845	1 043	3	2	3	3	4	5
Other in-donor expenditures	3 441	7 343	6 594	4 042	3 325	16	25	22	14	12	7
of which: refugees in donor countries	3 333	7 209	6 439	3 872	3 140	15	25	22	14	11	7
Gross Multilateral ODA	**4 226**	**5 583**	**5 513**	**6 212**	**5 810**	**19**	**19**	**19**	**22**	**21**	**27**
UN agencies	363	510	458	561	733	2	2	2	2	3	4
EU institutions	2 722	2 995	3 163	3 312	3 387	12	10	11	12	12	9
World Bank group	33	649	642	1 055	689	0	2	2	4	2	7
Regional development banks	315	631	427	432	400	1	2	1	2	1	3
Other multilateral	794	799	822	852	602	4	3	3	3	2	5
Total gross ODA	**21 812**	**29 361**	**29 586**	**28 637**	**27 828**	**100**	**100**	**100**	**100**	**100**	**100**
of which: Gross ODA loans	6 018	5 465	4 946	5 384	4 699	28	19	17	19	17	14
Bilateral	6 018	5 465	4 946	5 384	4 699	28	19	17	19	17	12
Multilateral	-	-	-	-	-	-	-	-	-	-	2
Repayments and debt cancellation	**-2 000**	**-2 280**	**-3 010**	**-2 966**	**-2 874**						
Total net ODA	**19 811**	**27 081**	**26 576**	**25 670**	**24 954**						
For reference:											
Country programmable aid	*8 484*	*8 946*	*8 927*	*9 800*	*9 199*						
Free standing technical co-operation	*4 371*	*4 744*	*5 452*	*5 615*	*6 325*						
Net debt relief	*48*	*7*	*8*	*4*	*4*						

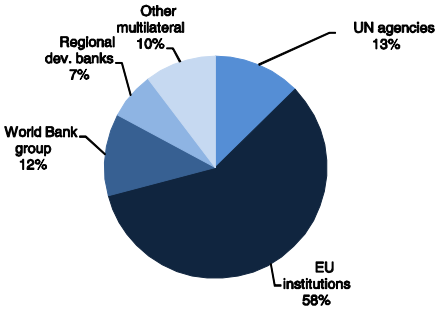
Composition of bilateral ODA, 2019, gross bilateral disbursements



Share of ODA channelled to and through the multilateral system, two year average



ODA flows to multilateral agencies, 2019



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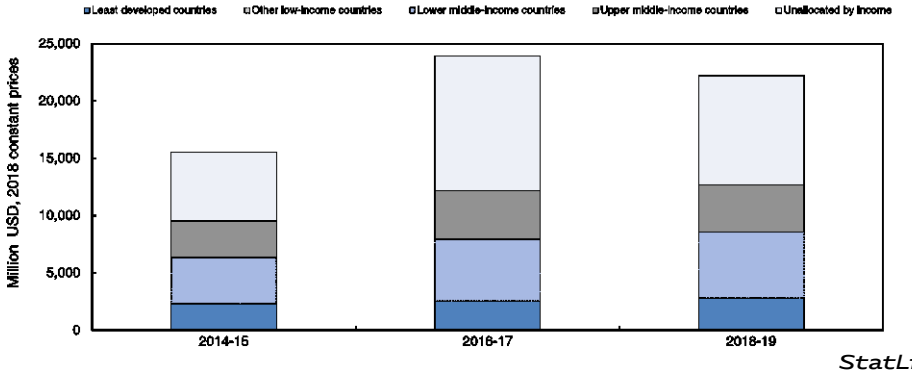
Table B.3. Bilateral ODA allocable by region and income group

Gross disbursements

Germany	Constant 2018 USD million					% share					Total DAC
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2018%
Africa	3 768	4 387	4 552	4 926	5 442	31	32	31	32	36	**41**
Sub-Saharan Africa	2 188	2 655	2 886	3 095	3 448	18	19	20	20	23	**34**
North Africa	1 064	1 186	1 178	1 218	1 097	9	9	8	8	7	**4**
Asia	4 234	4 046	4 295	4 814	3 879	35	29	29	31	26	**29**
South and Central Asia	2 277	1 853	2 553	2 128	2 245	19	13	17	14	15	**18**
Far East	1 617	1 983	1 497	2 451	1 429	13	14	10	16	9	**11**
America	1 542	2 016	1 556	1 831	1 666	13	15	11	12	11	**10**
North and Central America	-	-	-	-	-	-	-	-	-	-	**-**
South America	1 042	1 122	841	1 151	821	9	8	6	7	5	**5**
Middle East	986	2 328	2 697	2 595	2 886	8	17	18	17	19	**13**
Oceania	30	17	19	17	12	0	0	0	0	0	**2**
Europe	1 461	1 091	1 527	1 287	1 159	12	8	10	8	8	**5**
Total bilateral allocable by region	**12 020**	**13 886**	**14 646**	**15 469**	**15 044**	**100**	**100**	**100**	**100**	**100**	**100**
Least developed	1 821	2 331	2 671	2 721	2 814	18	20	21	21	23	**39**
Other low-income	35	44	35	49	30	0	0	0	0	0	**1**
Lower middle-income	4 473	4 959	5 821	6 168	5 399	45	42	46	47	44	**41**
Upper middle-income	3 471	4 309	4 166	4 105	4 082	35	36	33	31	33	**19**
More advanced developing countries	64	196	95	-	-	1	2	1	-	-	**-**
Total bilateral allocable by income	**9 864**	**11 838**	**12 788**	**13 043**	**12 325**	**100**	**100**	**100**	**100**	**100**	**100**
For reference[2]*:*											
Total bilateral	17 585	23 778	24 073	22 425	22 018	*100*	*100*	*100*	*100*	*100*	***100***
of which: Unallocated by region	*5 565*	*9 893*	*9 428*	*6 955*	*6 974*	*32*	*42*	*39*	*31*	*32*	***32***
of which: Unallocated by income	*7 722*	*11 940*	*11 285*	*9 382*	*9 693*	*44*	*50*	*47*	*42*	*44*	***39***
Fragile and conflict-affected states (as per DCR of each year)	*2 720*	*4 246*	*5 351*	*4 849*	*4 968*	*15*	*18*	*22*	*22*	*23*	***33***
SIDS (as per data provided to UN)	*39*	*49*	*41*	*45*	*52*	*0*	*0*	*0*	*0*	*0*	***2***
Landlocked developing countries (as per data provided to UN)	*1 256*	*1 685*	*1 787*	*1 855*	*1 828*	*7*	*7*	*7*	*8*	*8*	***13***

1. Each region includes regional amounts which cannot be allocated by sub-region. The sum of the sub-regional amounts may therefore fall short of the regional total.
2. 'Fragile and conflict-affected states' group has overlaps with SIDS and Landlocked developing countries and can therefore not be added. For the same reason, these three groups cannot be added to any income group.

Gross bilateral ODA by income group, 2014-19



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Table B.4. Main recipients of bilateral ODA

Table 4. Main recipients of bilateral ODA

Gross disbursements

Germany	2014-15 average			Memo:		2016-17 average			Memo:		2018-19 average			Memo:
	Current USD million	Constant 2017 USD mln	% share	*DAC countries' average %*		Current USD million	Constant 2017 USD mln	% share	*DAC countries' average %*		Current USD million	Constant 2017 USD mln	% share	*DAC countries' average %*
India	991	1030	7		India	900	967	4		India	912	929	4	
China (People's Republic of)	706	725	5		Syrian Arab Republic	852	919	4		China (People's Republic of)	822	836	4	
Myanmar	531	501	4		China (People's Republic of)	773	835	3		Syrian Arab Republic	767	780	4	
Afghanistan	446	449	3		Morocco	513	554	2		Indonesia	667	669	3	
Morocco	435	441	3		Turkey	510	548	2		Iraq	505	514	2	
Top 5 recipients	**3 109**	**3 145**	**21**	**23**	**Top 5 recipients**	**3 548**	**3 822**	**16**	**23**	**Top 5 recipients**	**3 673**	**3 728**	**17**	**19**
Turkey	426	435	3		Afghanistan	491	530	2		Egypt	464	471	2	
Brazil	415	415	3		Indonesia	453	490	2		Jordan	459	469	2	
Indonesia	364	373	2		Iraq	450	484	2		Turkey	448	456	2	
South Africa	283	301	2		Mexico	333	360	2		Afghanistan	424	431	2	
Syrian Arab Republic	277	283	2		Jordan	269	289	1		Colombia	336	338	2	
Top 10 recipients	**4 874**	**4 952**	**32**	**36**	**Top 10 recipients**	**5 544**	**5 975**	**25**	**37**	**Top 10 recipients**	**5 804**	**5 893**	**27**	**29**
Ukraine	260	275	2		South Africa	266	289	1		Mexico	323	329	1	
Egypt	253	256	2		Lebanon	250	271	1		Tunisia	290	296	1	
Mexico	206	203	1		Brazil	249	269	1		Morocco	260	264	1	
Colombia	203	210	1		Colombia	227	246	1		Yemen	238	242	1	
Viet Nam	169	172	1		Viet Nam	197	212	1		Lebanon	232	236	1	
Top 15 recipients	**5 965**	**6 069**	**39**	**42**	**Top 15 recipients**	**6 733**	**7 263**	**30**	**44**	**Top 15 recipients**	**7 147**	**7 260**	**33**	**35**
Iraq	119	124	1		Egypt	191	206	1		Brazil	231	235	1	
Pakistan	116	117	1		Ukraine	190	205	1		Ukraine	220	224	1	
Yemen	113	114	1		Yemen	189	203	1		West Bank and Gaza Strip	214	218	1	
Peru	110	112	1		Nigeria	181	194	1		Viet Nam	206	210	1	
West Bank and Gaza Strip	109	110	1		Pakistan	175	188	1		Nigeria	202	205	1	
Top 20 recipients	**6 531**	**6 646**	**43**	**45**	**Top 20 recipients**	**7 658**	**8 258**	**35**	**51**	**Top 20 recipients**	**8 221**	**8 351**	**38**	**41**
Total (136 recipients)	**9 518**	**9 677**	**63**		**Total (140 recipients)**	**11 423**	**12 313**	**51**		**Total (137 recipients)**	**12 480**	**12 685**	**57**	
Unallocated	5 629	5 864	37	41	Unallocated	10 762	11 613	49	38	Unallocated	9 375	9 536	43	52
Total bilateral gross	**15 147**	**15 541**	**100**	**100**	**Total bilateral gross**	**22 185**	**23 926**	**100**	**100**	**Total bilateral gross**	**21 854**	**22 221**	**100**	**100**

StatLink https://stat.link/ur9th1

Table B.5. Bilateral ODA by major purposes

At constant prices and exchange rates

Table 5. Bilateral ODA by major purposes
at constant prices and exchange rates

Commitments - Two-year average

Germany	2014-15 average		2016-17 average		2018-19 average		DAC
	2018 USD million	%	2018 USD million	%	2018 USD million	%	2018 %
Social infrastructure & services	**5 722**	**32**	**7 342**	**27**	**8 902**	**35**	**37**
Education	2125	12	2 431	9	2 734	11	7
of which: basic education	208	1	160	1	246	1	2
Health	512	3	607	2	746	3	5
of which: basic health	377	2	419	2	502	2	3
Population & reproductive health	126	1	189	1	146	1	6
Water supply & sanitation	957	5	1 115	4	1 544	6	4
Government & civil society	1803	10	2 434	9	3 156	12	13
of which: Conflict, peace & security	431	2	787	3	1 111	4	3
Domestic revenue mobilisation	-	-	19	0	22	0	0
Other social infrastructure & services	199	1	567	2	576	2	2
Economic infrastructure & services	**5614**	**31**	**5 039**	**19**	**4 933**	**19**	**18**
Transport & storage	495	3	826	3	490	2	9
Communications	51	0	28	0	42	0	0
Energy	3079	17	2 713	10	2 892	11	6
Banking & financial services	1751	10	1 098	4	1 051	4	1
Business & other services	238	1	375	1	457	2	1
Production sectors	**1110**	**6**	**1 211**	**4**	**1 623**	**6**	**7**
Agriculture, forestry & fishing	917	5	876	3	1 143	4	5
Industry, mining & construction	143	1	128	0	269	1	1
Trade & tourism	49	0	207	1	212	1	1
Multisector	**1914**	**11**	**2 717**	**10**	**2 734**	**11**	**8**
Commodity and programme aid	**182**	**1**	**530**	**2**	**464**	**2**	**2**
Action relating to debt	**242**	**1**	**7**	**0**	**4**	**0**	**0**
Humanitarian aid	**928**	**5**	**2 822**	**10**	**2 424**	**9**	**12**
Administrative costs of donors	**581**	**3**	**681**	**3**	**982**	**4**	**6**
Refugees in donor countries	**1 747**	**10**	**6 824**	**25**	**3 506**	**14**	**9**
Total bilateral allocable	**18 042**	**100**	**27 174**	**100**	**25 572**	**100**	**100**
For reference:							
Total bilateral	*18 182*	*78*	*27 342*	*86*	*25 792*	*80*	*76*
of which: Unallocated	*140*	*1*	*168*	*1*	*220*	*1*	*1*
Total multilateral	*5 240*	*22*	*4 453*	*14*	*6 312*	*20*	*24*
Total ODA	***23 422***	***100***	***31 795***	***100***	***32 104***	***100***	***100***

Commitments

	2014-2015		2016-2017		2018-2019	
	Constant 2018 USD million	% Bilateral Allocable	Constant 2018 USD million	% Bilateral Allocable	Constant 2018 USD million	% Bilateral Allocable
Gender equality	5,920	*41*	7,098	*39*	8,218	*42*
Environment	6,788	*47*	7,519	*41*	8,207	*42*
Rio markers						
Biodiversity	1,221	*8*	1,568	*9*	1,950	*10*
Desertification	383	*3*	562	*3*	887	*5*
Climate change Mitigation only	3,606	*25*	4,163	*23*	3,856	*20*
Climate change Adaptation only	1,638	*11*	1,693	*9*	2,585	*13*
Both climate adaptation and mitigation	1,052	*7*	1,424	*8*	1,777	*9*

StatLink https://stat.link/zxgr1m

Table B.6. Comparative aid performance of DAC members

Table 6. Comparative aid performance

Basis	*Grant equivalent*				*Net disbursements*				*Commitments*	
	Official development assistance				Share of multilateral aid				Grant element of ODA	Untied aid % of bilateral
	2019		2019	2013-14 to 2018-19 Average annual % change in real terms	2019				commitments 2019	commitments 2019
					% of ODA		% of GNI			
	USD million	% of GNI	USD million		(b)	(c)	(b)	(c)	% (a)	(d)
Australia	2 888	0.21	2 888	-4.7	22.9		0.05		100.0	90.7
Austria	1 230	0.28	1 227	1.1	63.8	33.4	0.18	0.09	100.0	44.7
Belgium	2 175	0.41	2 208	0.5	48.5	20.6	0.20	0.09	99.7	98.3
Canada	4 725	0.27	4 535	3.0	33.0		0.09		97.8	99.2
Czech Republic	309	0.13	309	8.0	69.0	9.0	0.09	0.01	100.0	68.9
Denmark	2 554	0.72	2 541	-0.8	30.8	18.8	0.22	0.13	100.0	92.9
Finland	1 131	0.42	1 149	-5.5	47.7	27.1	0.20	0.11	98.5	96.8
France	12 211	0.44	11 984	4.6	37.9	16.5	0.16	0.07	76.4	88.8
Germany	24 198	0.61	24 122	11.7	23.3	9.7	0.14	0.06	89.5	84.2
Greece	368	0.18	368	9.4	61.2	5.9	0.11	0.01	100.0	0.1
Hungary	312	0.21	312	18.3	49.0	7.6	0.10	0.02	100.0	22.0
Iceland	61	0.25	61	9.4	16.4		0.04		100.0	56.9
Ireland	973	0.32	973	3.8	41.6	18.2	0.13	0.06	100.0	95.7
Italy	4 373	0.22	4 260	6.8	69.8	25.6	0.15	0.05	98.5	92.2
Japan	15 588	0.30	11 720	1.7	36.2		0.08		84.4	63.5
Korea	2 486	0.15	2 540	6.0	24.8		0.04		86.5	55.0
Luxembourg	472	1.03	472	3.4	23.2	14.7	0.24	0.15	100.0	98.9
Netherlands	5 292	0.59	5 292	1.5	35.3	23.5	0.21	0.14	100.0	99.0
New Zealand	555	0.28	555	5.3	17.9		0.05		100.0	74.5
Norway	4 298	1.03	4 298	1.2	22.9		0.23		100.0	100.0
Poland	777	0.14	761	12.5	72.7	12.4	0.10	0.02	98.8	24.7
Portugal	410	0.17	382	-2.2	69.2	16.6	0.11	0.03	99.5	79.6
Slovak Republic	116	0.11	116	10.7	81.4	10.9	0.09	0.01	100.0	63.8
Slovenia	88	0.17	88	8.4	64.6	11.9	0.11	0.02	100.0	25.8
Spain	2 944	0.21	2 709	6.8	70.4	23.7	0.14	0.05	98.3	76.0
Sweden	5 205	0.96	5 205	2.6	33.4	25.3	0.32	0.24	100.0	88.3
Switzerland	3 099	0.42	3 095	0.0	23.9		0.10		100.0	96.0
United Kingdom	19 393	0.70	19 371	3.4	32.5	20.5	0.23	0.14	100.0	98.7
United States	33 492	0.15	32 981	-0.9	12.6		0.02		100.0	60.2
Total DAC	**151 722**	**0.30**	**146 521**	**3.0**	**29.5**		**0.08**		**93.4**	**78.1**

Notes:

a. Excluding debt reorganisation.
b. Including EU institutions.
c. Excluding EU institutions.
d. Excluding administrative costs and in-donor refugee costs.
.. Data not available.

StatLink https://stat.link/4hu90f

Table B.7. Comparative performance of aid to LDCs

Table 7. Comparative aid performance to LDCs

	Net disbursements						*Commitments*		
	Bilateral ODA to LDCs 2019			Total ODA to LDCs (Bilateral and through multilateral agencies) 2019			Grant element of bilateral ODA commitments[a] to LDCs (two alternative norms)		
							Annually for all LDCs Norm: 90%		3-year average for each LDC Norm: 86%
	USD million	% bilateral ODA	% of GNI	USD million	% total ODA	% of GNI	2018	2019	2017-2019
Australia	562	25.2	0.04	667	23.1	0.05	100.0	100.0	c
Austria	60	13.5	0.01	315	25.7	0.07	100.0	100.0	c
Belgium	382	33.7	0.07	725	32.8	0.14	99.4	99.3	c
Canada	948	31.2	0.06	1 490	32.8	0.09	100.0	100.0	c
Czech Republic	18	19.0	0.01	65	20.9	0.03	100.0	100.0	c
Denmark	512	29.2	0.14	787	31.0	0.22	100.0	100.0	c
Finland	178	29.6	0.07	368	32.1	0.14	100.0	100.0	c
France	1 483	19.9	0.05	2 919	24.4	0.11	79.1	78.1	n
Germany	2 706	14.6	0.07	4 454	18.5	0.11	97.6	98.9	c
Greece	0	0.1	0.00	50	13.5	0.02	100.0	100.0	c
Hungary	32	20.0	0.02	65	20.9	0.04	100.0	100.0	c
Iceland	21	39.9	0.08	24	39.8	0.10	100.0	100.0	c
Ireland	252	44.3	0.08	373	38.3	0.12	100.0	100.0	c
Italy	278	21.6	0.01	1 146	26.9	0.06	97.6	97.6	c
Japan	3 447	46.1	0.07	5 328	45.5	0.10	86.8	82.4	n
Korea	722	37.8	0.04	966	38.0	0.06	93.7	91.9	c
Luxembourg	176	48.5	0.39	213	45.2	0.47	100.0	100.0	c
Netherlands	604	17.6	0.07	1 274	24.1	0.14	100.0	100.0	c
New Zealand	114	25.0	0.06	140	25.2	0.07	100.0	100.0	c
Norway	732	22.1	0.17	1 167	27.2	0.28	100.0	100.0	c
Poland	15	7.3	0.00	133	17.5	0.02	84.9	82.7	n
Portugal	56	47.2	0.02	125	32.8	0.05	94.4	97.5	c
Slovak Republic	1	6.1	0.00	21	18.0	0.02	100.0	100.0	c
Slovenia	1	1.8	0.00	13	14.3	0.02	100.0	100.0	c
Spain	112	14.0	0.01	583	21.5	0.04	100.0	100.0	c
Sweden	1 078	31.1	0.20	1 766	33.9	0.32	100.0	100.0	c
Switzerland	599	25.4	0.08	930	30.1	0.13	100.0	100.0	c
United Kingdom	3 476	26.6	0.13	5 770	29.8	0.21	100.0	100.0	c
United States	9 657	33.5	0.04	11 425	34.6	0.05	100.0	100.0	c
Total DAC	**28 218**	**27.3**	**0.06**	**43 300**	**29.6**	**0.09**	**96.0**	**95.7**	**..**

Notes:

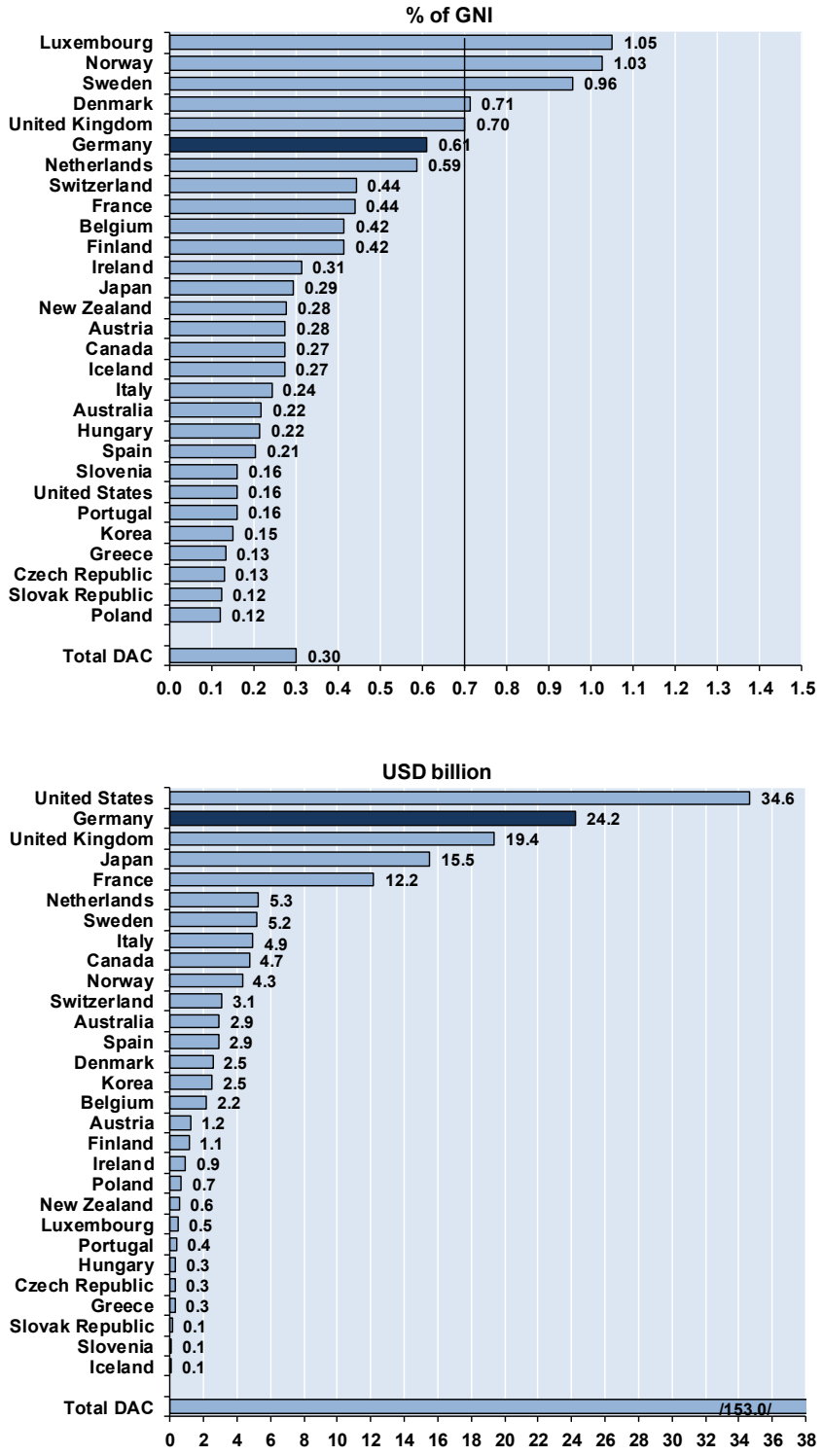
a. Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b. c = compliance, n = non compliance.

.. Data not available.

StatLink https://stat.link/u6op2q

Figure B.1. Net ODA from DAC countries in 2019



StatLink https://stat.link/mgi7x0

Annex C. Field visits to Rwanda and Tunisia

As part of the peer review of Germany, a team of reviewers and the OECD Secretariat held meetings virtually with Rwanda in December 2020 and with Tunisia in January 2021 to gather input from Germany's development co-operation staff and partners. Meetings were held with German embassy staff, the German implementation organisations, government officials, multilateral organisations, other bilateral partners, representatives of German businesses, and German, Rwandan and Tunisian civil society organisations

Development context in Rwanda and Tunisia

Rwanda and Germany have a strong partnership

Rwanda is actively involved in the Compact with Africa and is a partner country of the special initiatives on Training and Job Creation and on Tackling the Root Causes of Displacement and Reintegrating Refugees. Rwanda is a country of 12.6 million people with gross national income (GNI) per capita of USD 820 in 2019 (Figure C.1), placing it in the low-income country category. It ranks 160th on the Human Development Index with a value of 0.543 (UNDP, 2020[1]). Partners in Rwanda describe two main challenges: first, a stagnation of poverty reduction despite high growth and second, low human capital and a need for early childhood development, linked to chronic undernourishment and stunting. Germany disbursed USD 45 million on average per year over 2018-19.

Germany is the ninth largest development partner in Rwanda, and Rwanda ranks 40th among Germany's partner countries. The three priority areas of German development co-operation in Rwanda are peaceful and inclusive societies; training and sustainable growth for decent jobs; responsibility for our planet – climate and energy. Digitalisation is also addressed as part of co-operation outside of these bilateral priority areas.

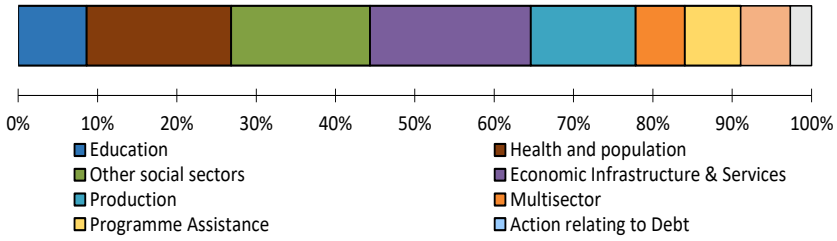
Figure C.1. Aid at a glance – Rwanda

Receipts	2017	2018	2019
Net ODA (USD million)	1 231	1 120	1 191
Bilateral share (gross ODA)	42%	46%	47%
Net ODA / GNI	13.8%	12.0%	12.2%
Other Official Flows (USD million)	-4	77	150
Net Private flows (USD million)	- 13	22	- 9
Total net receipts (USD million)	1 215	1 218	1 332

For reference	2017	2018	2019
Population (million)	12.0	12.3	12.6
GNI per capita (Atlas USD)	740	780	820

Top Ten Donors of gross ODA (2018-19 average)		(USD m)
1	International Development Ass	281
2	United States	178
3	African Development Fund	92
4	EU Institutions	83
5	Global Fund	82
6	United Kingdom	77
7	Japan	58
8	Netherlands	47
9	Germany	45
10	Belgium	42

Bilateral ODA by Sector (2018-19)



Source: OECD DAC: (2020[2]), *Aid at a glance charts* (database), http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm and World Bank (2020[3]) *World Development Indicators* (database), https://databank.worldbank.org/source/world-development-indicators.

StatLink https://stat.link/5dyvm6

Tunisia is Germany's first reform partner

Germany's relationship with Tunisia has deepened since the Arab Spring revolution in 2011 and in response to challenges posed by the refugee and migration situation in Europe. Tunisia is a country of 11.7 million people with a GNI per capita of USD 3 360 in 2019 (Figure C.2), placing it in the lower middle-income country category. It ranks 95th on the Human Development Index with a value of 0.740 (UNDP, 2020[4]). Some of the challenges described in Tunisia stem from the inequality between the coastal and inland areas of the country, economic stagnation, high youth unemployment, and social unrest. Germany disbursed USD 290 million on average per year over 2018-19.

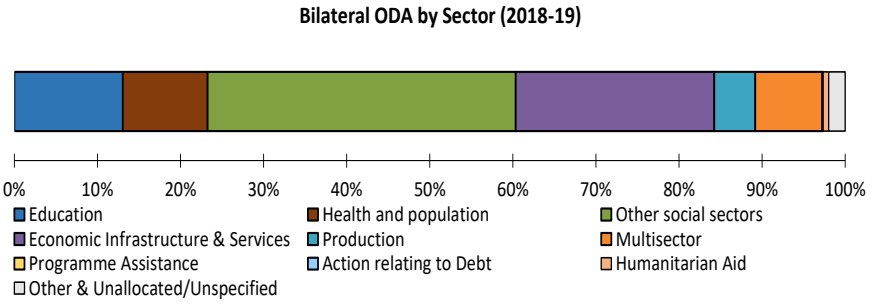
Germany is the second largest development partner in Tunisia, and Tunisia ranks 17th among Germany's partner countries. Tunisia was chosen as the first reform partner of the Federal Ministry for Economic Cooperation and Development (BMZ) in 2017. The Tunisian-German reform partnership builds on experience already gained and on successful reforms, especially in the banking and finance sector. The first pillar of this reform partnership is the banking and finance sector; the second pillar is public sector reform. It was adopted recently at the government talks in May 2020. Tunisia and Germany have agreed three priority areas: sustainable economic development, administrative reform and decentralisation, and water. In addition to the three priority areas, there are projects in renewable energy and climate action.

Figure C.2. Aid at a glance – Tunisia

Receipts	2017	2018	2019
Net ODA (USD million)	812	807	984
Bilateral share (gross ODA)	51%	61%	70%
Net ODA / GNI	2.1%	2.1%	2.6%
Other Official Flows (USD million)	3000	2467	582
Net Private flows (USD million)	1 142	320	496
Total net receipts (USD million)	4 954	3 593	2 061

For reference	2017	2018	2019
Population (million)	11.4	11.6	11.7
GNI per capita (Atlas USD)	3 520	3 500	3 360

Top Ten Donors of gross ODA (2018-19 average)	(USD m)
1 EU Institutions	399
2 Germany	290
3 France	205
4 Japan	167
5 Arab Fund (AFESD)	94
6 United States	85
7 Saudi Arabia	51
8 Kuwait	40
9 Italy	36
10 United Kingdom	19



Source OECD DAC (2020[2]), *Aid at a glance charts* (database), http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm.and and World Bank (2020[3]) *World Development Indicators* (database), https://databank.worldbank.org/source/world-development-indicators.

StatLink https://stat.link/gcnur8

Towards a comprehensive Germany development effort

Germany has a broad presence in Rwanda and Tunisia

In Tunisia, Germany supports critical elements of Tunisia's pathway to democracy, enabling non-state actors to engage with Tunisian partners in ways that complement official German co-operation. The six political foundations, civil society organisations, and the German-Tunisian Chamber of Industry and Commerce are encouraging participation in democratic processes, providing training to meet the demands of the Tunisian labour market, supporting progress towards a digital economy and attracting private sector investment. These initiatives are drawing on the potential of Tunisia's young and well-educated population as well as creating opportunities for them and for returning migrants.

In Rwanda, Germany's support to private sector development includes direct support to Rwandan small- and medium-sized enterprises (SMEs) via the Export Growth Facility and in line with the Economic Recovery Fund; broadening access to technical and vocational education and training with the aim of enhancing employment in, among others, timber, wood, tourism and leather industries; and facilitating economic inclusion of refugees. Germany also strongly supports Rwanda's ambition to transition to a knowledge-based society and become an information and communications technology hub.

Given the breadth of investments and broad range of actors in both Rwanda and Tunisia, Germany could do more to "tell a story" of how it contributes towards the goals of citizens, civil society organisations, and partner country governments themselves. Such an approach in the country's working language (English in Rwanda and French or Arabic in Tunisia) could highlight how Germany is supporting government and

private sector efforts towards a more pluralistic society and sustained growth, while at the same time linking back to overarching German policy goals. In line with the African Union's Agenda 2063 and in support of the African Continental Free Trade Area, Germany might more systematically involve its broad range of partners and instruments to gradually move towards a relationship that is more about dialogue, sharing knowledge, and co-creating.

Germany lacks a strategic vision for its overall investments and does not publish country strategies

Germany uses a range of instruments to invest in the sustainable development of Rwanda and Tunisia, but its strategic vision is unclear and it does not bring these together in a published document such as a whole of government country strategy. The embassies in Rwanda and Tunisia have relatively little purview over regional and global programmes, although there is recent progress in Rwanda where these were included in the annual intergovernmental negotiations. Having a strategic vision of all German co-operation in Rwanda and Tunisia — covering the interventions of all federal ministries, states, municipalities and private actors in a whole-of-country approach — and articulating the results Germany seeks to achieve, for example in line with Rwanda's aspirations to reach middle-income status by 2035, might enable Germany to better articulate its value as a partner and have more influence.

GIZ provides valuable technical co-operation through advice and direct support intended to reinforce country systems, address important capacity gaps in partner country institutions, and engage in capacity development. In a changing and more competitive development co-operation landscape, Germany could benefit from reflecting on the rationale and long-term vision for its own technical co-operation, particularly in a country such as Tunisia, where GIZ has a large presence.

Germany's policies, strategies and aid allocation

Germany is valued as a generous and flexible development partner

In Rwanda, Germany provides only grants. In Tunisia, 63% of disbursements are in the form of highly concessional loans and 37% as grants. For investments in environmental protection, gender and other poverty-related interventions, only grants may be used.

In Rwanda and Tunisia, Germany was able to respond quickly to the impacts of the COVID-19 pandemic. In Tunisia, t did so by reprogramming funding to work with other partners and supporting Tunisian SMEs. In Rwanda, Germany agreed to seek parliamentary approval to use sectoral budget support to contribute to Rwanda's social protection efforts for the poor and vulnerable. Germany's pledge to help governments of developing countries access COVID-19 vaccines is commendable. The current environment offers an opportunity to extend this flexibility to other sectors and programmes. Such flexibility could be more institutionalised, including through some of Germany's more visible global commitments such as the Compact with Africa and the new development investment fund, which have not yet gotten much traction in Rwanda.

While Rwanda exercises strong ownership of development co-operation with Germany, both parties show a degree of flexibility and adaptability, such as GIZ aligning to the Rwandan fiscal year. GIZ is praised by Tunisian officials for adopting a participatory approach in programme design and implementation in response to partners' needs. BMZ has been able to accommodate the Tunisian government's recent request to streamline and speed up approval of financial co-operation agreements by handling these separately, rather than in a single package as part of the intergovernmental negotiations that requires official ratification once a year, and it is looking at extending this to technical co-operation.

In the digitalisation area, GIZ was praised by partners in Tunisia as one of the most important implementing partner that was able to flexibly respond to the needs of the technology industry in Tunisia to advise on how to improve the regulatory framework and to support partners to ensure appropriate technology and skills were in place to link to European markets. In Rwanda, BMZ, KfW, and GIZ bring together a number of digitalisation initiatives. For example, they were instrumental in building the capacity of the Rwanda Information Society Authority, and in encouraging more women and girls to seek employment in the information and communication technology sector.

The reform partnership provides additional ODA, topping up the existing country programme

In line with the international community's support for Tunisia after the Arab Spring and in response to the refugee crisis in Europe, Germany engages in sectors that are important to consolidate the young democracy, and it has rapidly scaled up its development co-operation The reform partnership between Tunisia and Germany not only provides additional resources in the form of reform financing (a special form of policy-based lending) , but also creates space for a closer level of co-operation with Tunisian authorities through regular dialogue among partners on key reforms. KfW was instrumental in bringing other major bilateral partners together behind a harmonised reform matrix agreed with the Tunisian government. In a context where finance from other development partners is decreasing, Germany might consider the level, focus and effectiveness of its ODA to ensure it is achieving value for money and responding to what Tunisia needs most at this time.

Organisation and management

Embassies, GIZ and KfW are easily identified by partners and co-ordinate

German development co-operation actors work in a co-ordinated manner, and their Rwandan and Tunisian partners know whom they should contact on any specific issue. KfW and GIZ have comprehensive risk management systems that include corruption risks, covering country and/or portfolio, sector and project and/or programme level risks. Germany also supports Rwandan and Tunisian efforts to prevent corruption. Procurement of German-funded activities is generally done using national systems in both Rwanda and Tunisia.

German development co-operation is highly centralised in Germany

In order to fulfil its strategic role, live up to the guidance of BMZ 2030, and effectively steer the large German portfolio in Rwanda and Tunisia, the staff seconded by BMZ to the embassies will be required to play an even more critical role in representing a whole-of-Germany development co-operation approach. Delegating greater decision-making authority to seconded BMZ staff in embassies would enable them to engage in constant exchange with BMZ headquarters, stay involved in all strategic discussions and thus are better equipped to ensure a field perspective in BMZ policy decisions. Such an approach would include further decentralisation across the German development co-operation system in line with what GIZ already does to a large extent and what KfW has started to do by seconding portfolio managers to country offices. The past decision to increase BMZ postings abroad was a welcome step that would benefit from further incentives as an essential part of career development for BMZ staff. Having direct representation, eyes and ears on the ground is crucial to inform Germany's strategies, drawing synergies across Germany's numerous actors and investments and cultivating trust with key stakeholders in Rwanda and Tunisia.

GIZ and KfW are attractive employers for locally and regionally hired staff

Locally employed staff in Rwanda and Tunisia provide continuity and institutional memory in German development co-operation. In exchange, the different German institutions seem to be attractive employers for locally employed staff, offering competitive employment packages with opportunities for career development progression up to management positions (GIZ), opportunities in Frankfurt (KfW) or opportunities to work as experts in other countries (GIZ). In Rwanda, 180 technical co-operation experts work at GIZ, of which 42 were international. In Tunisia, there were 455 technical co-operation experts at GIZ, of which 99 were international. Investing even more in the capacity of locally engaged staff and supporting their career progression to responsible, senior-level positions would enhance staff satisfaction and contribute to adapting further the approaches and strengths of German development co-operation to local contexts. Language issues remain in terms of reporting to BMZ or to the Federal Foreign Office (for which German is required) as well as to take advantage of training opportunities and exchanges with headquarters, half of which GIZ states are currently conducted in languages other than German. Training and awareness on preventing sexual exploitation, abuse and harassment could be more widespread.

Partnerships, results and accountability

Germany has many partners and could strengthen ties with civil society

Working relationships between embassies, GIZ and KfW are strong. In Rwanda, for example, Germany offers partners a wide range of development co-operation instruments and mechanisms including:

- financial co-operation in the form of grants, loans, export credits, with some grants being passed on to districts to be used for infrastructure projects in the context of district-level bonds
- basket funding and sector budget support together with other development partners
- parallel financing with multilateral development banks
- grassroots, community-to-community support through Rheinland Pfalz's twinning initiatives
- citizen training and capacity development of civil society through the Friedrich Ebert Foundation.

A portion of Germany's district-level decentralisation programmes that include both financial and technical co-operation in Rwanda reinforces local public financial management and mobilisation efforts at this level and takes a rights-based approach, relying on local civil society for implementation of basic service delivery. However, Germany's programme in Rwanda remains strongly focused on government-to-government — not broader or more inclusive — partnerships. Providing more and longer-term funding to civil society could create more space for dialogue with the Rwandan government, ensuring stronger engagement on, and broader accountability of, Rwanda's development efforts.

As Germany expands its reform partnership with Tunisia to support good governance, it could work to assess and decide how to partner and consult more strategically with civil society. This would contribute to ensuring the relevance and sustainability of all of its public investments in Tunisia, where civil society and youth movements play such an important role in determining the country's future.

Germany plays an important role in donor co-ordination groups

Germany's long-standing engagement in the water sector in Tunisia has intensified since 2011. It now combines policy-based lending with technical assistance to implement important reforms. KfW's leadership in co-ordinating development partners, including on the new water sector strategy, Eau 2050, and the continued policy dialogue on reform measures, is highly valued by the Tunisian government, executing organisations and development partners. Similarly in Rwanda, Germany plays an important role as an active member of the development partners' co-ordination group, leading two sector working groups.

Comprehensive country strategies could help set out ways in which Germany seeks to contribute to Rwanda and Tunisia's progress in meeting the SDGs

Through its joint procedural reform and the BMZ 2030 reform process, German actors have started to improve results management across development co-operation. Use of Rwandan data in results frameworks, for example, is commendable. Germany has a strong focus on project-level results but less on results at sector and overall country level. Now is a good time to take stock of Germany's development co-operation to determine the best use of resources to contribute to sustainable development. This in turn would enable Germany to develop comprehensive country strategies for its development co-operation, using the Sustainable Development Goals as a shared framework.

Evaluation and knowledge management are heading in a good direction

As observed in the headquarters mission, Germany has strengthened its approach to evaluation since 2015. While GIZ and KfW are systematic in their approach, there is room for improvement. While GIZ uses international and national evaluators, both KfW and GIZ could improve their approach to evaluation by focusing on building institutional evaluation capacity and enhancing participation of counterparts in evaluations. GIZ and KfW have competence centres and exchange platforms that house lessons learned and expert advice, which staff draw on regularly. KfW staff also network across country offices in similar thematic areas. In addition, biannual sector seminars allow for exchanges with KfW colleagues from all over the world working in the same sector.

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Annex D. Organisational charts

Figure D.1. Organisational Structure Federal Ministry for Economic Cooperation and Development

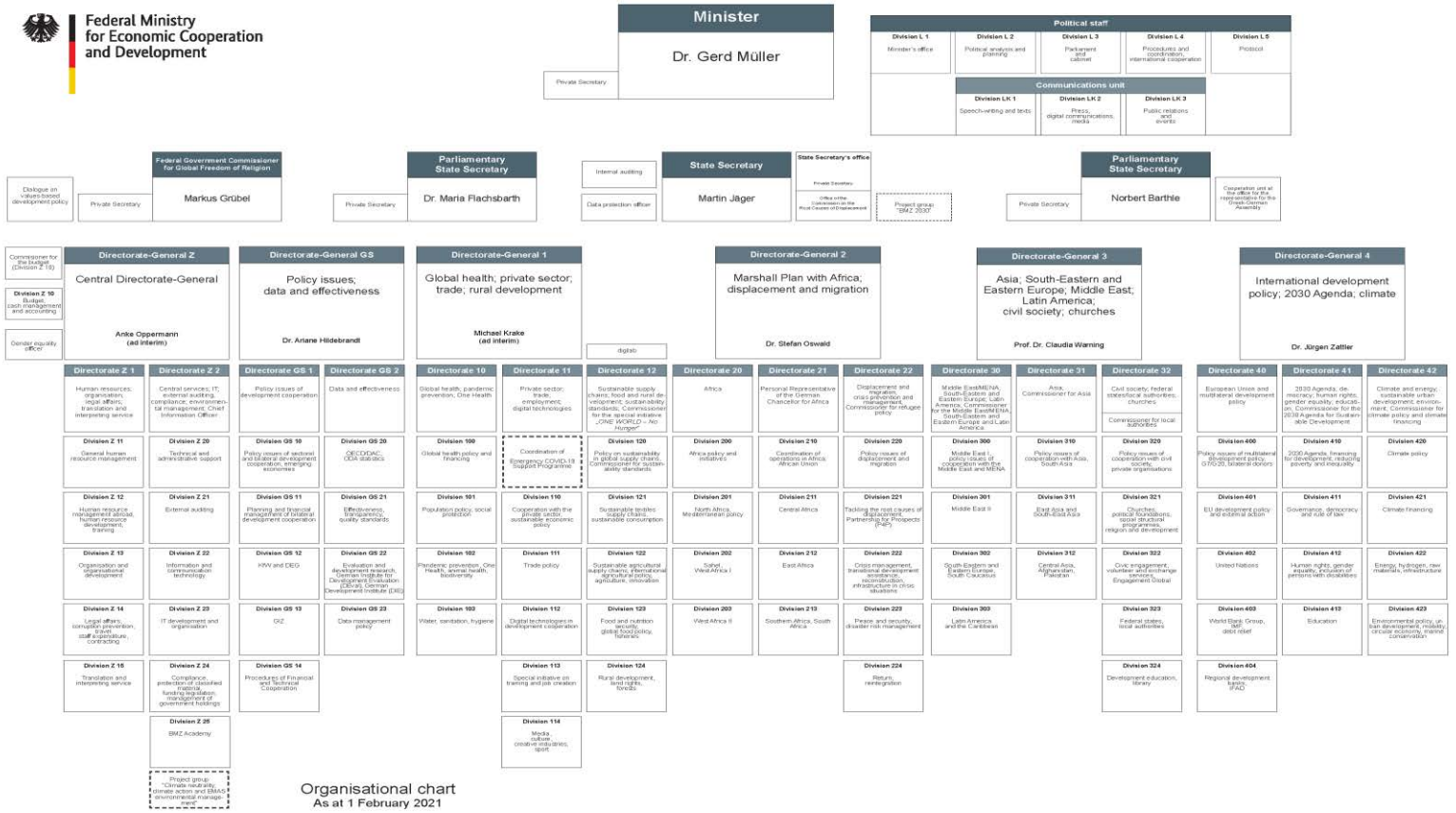


Figure D.2. Organisational Structure Federal Foreign Office

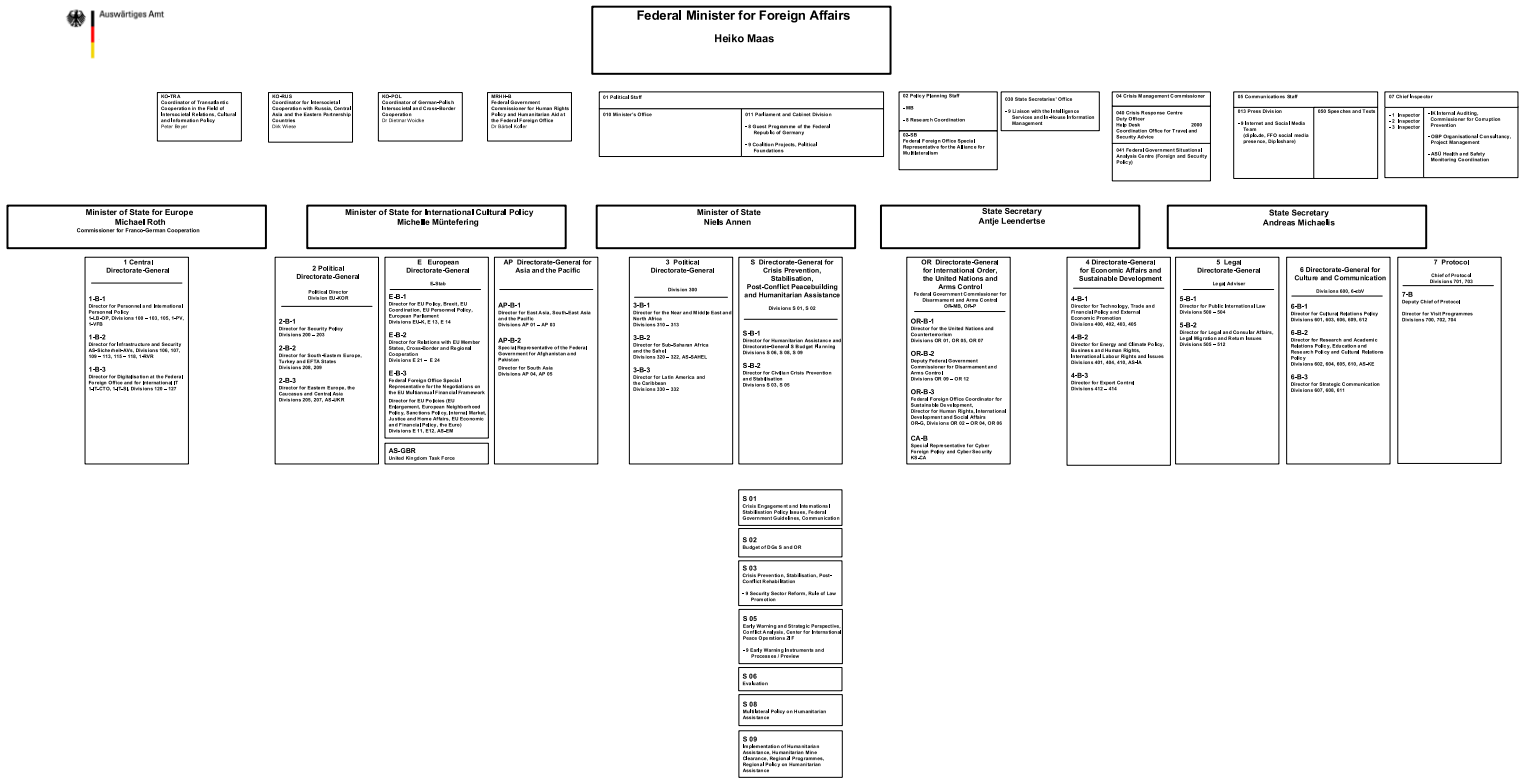


Figure D.3. GIZ's Organisational Structure

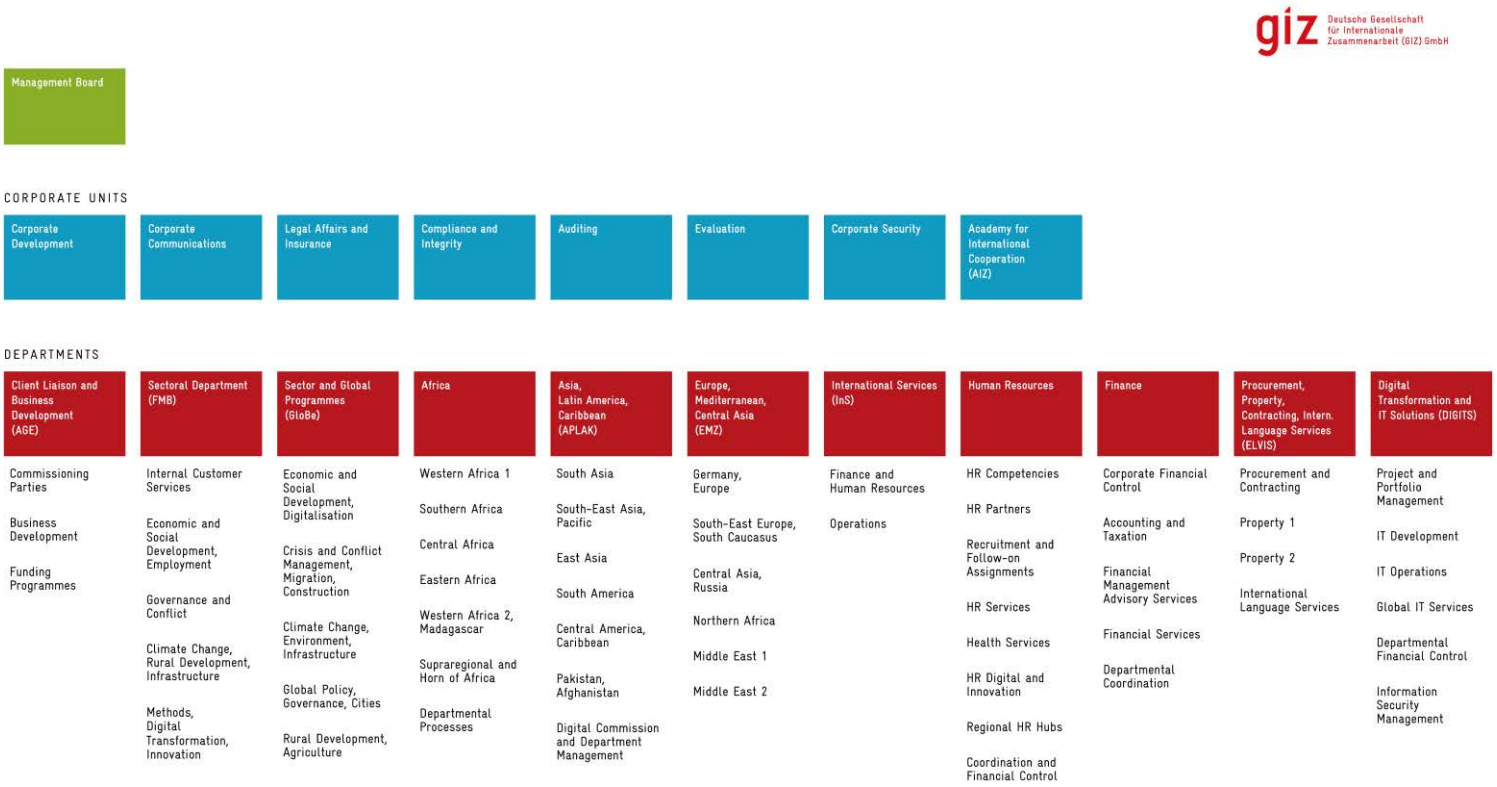
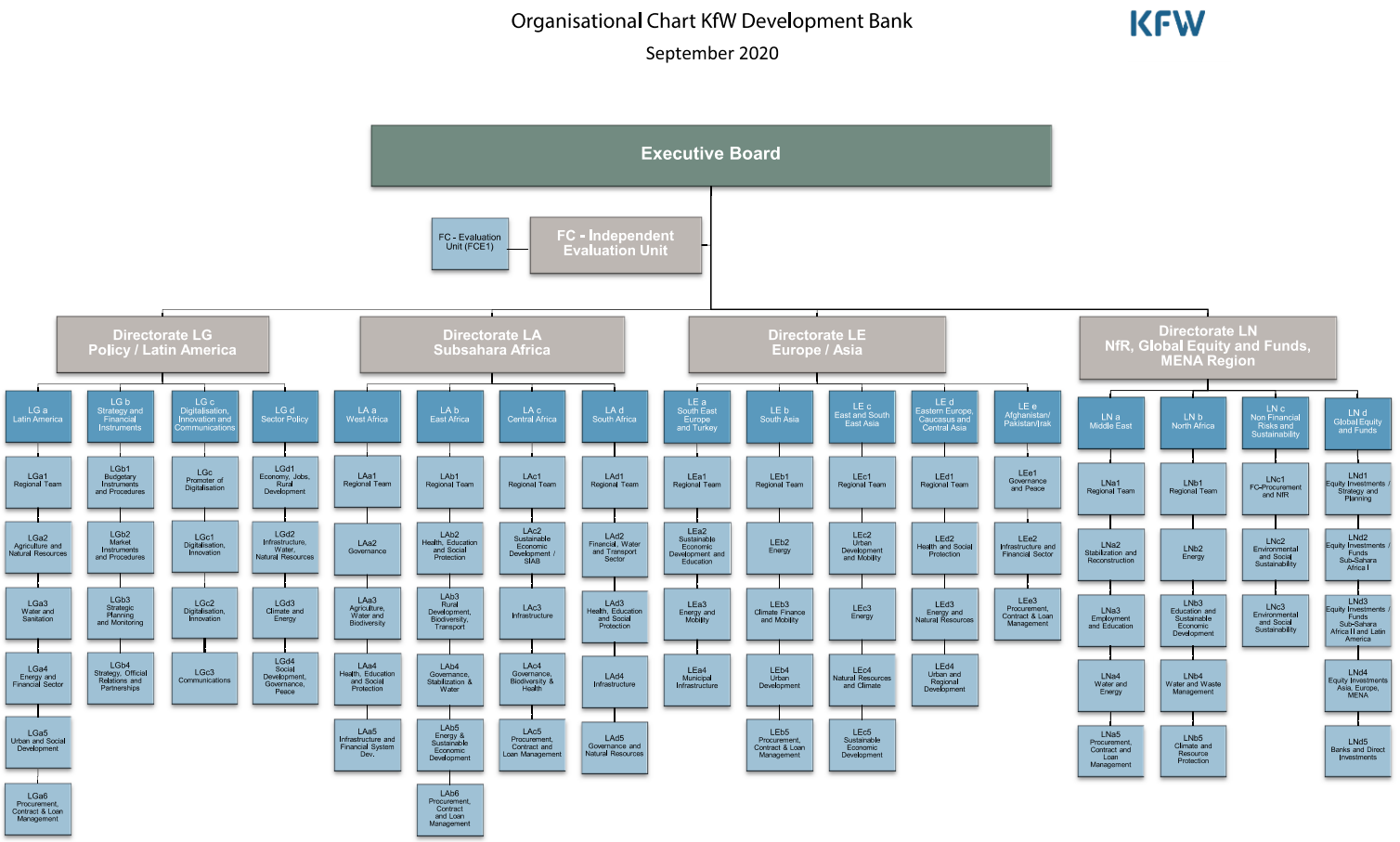


Figure D.4. KfW's Organisational Structure



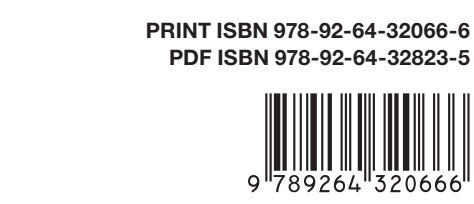
OECD Development Co-operation Peer Reviews

GERMANY

The OECD's Development Assistance Committee (DAC) conducts reviews of the individual development co operation efforts of its members every five to six years. DAC peer reviews critically examine the overall performance of a given member covering its policy, programmes and systems. They take an integrated, system wide perspective on the development co operation activities of the member under review and its approach to fragility, crisis and humanitarian assistance.

This peer review shows that Germany invests in fair and sustainable globalisation and a rules-based multilateral order. It provided 0.73% of its national income as official development assistance in 2020. The country is adjusting its engagement with Africa and reforming the way it delivers development co-operation. Germany could be more systematic in analysing and addressing the spill-over effects of its policies on developing countries. German development co-operation would benefit from a clearer vision and greater investment in gender equality and leaving no one behind, and embedding a culture of results. Its clear vision and comprehensive approach to crises would benefit from better defining short and long-term engagements.

PRINT ISBN 978-92-64-32066-6
PDF ISBN 978-92-64-32823-5



2021