



# VENRO REPORT: OECD DAC PEER REVIEW GERMANY 2021

VENRO is the umbrella organisation of development and humanitarian aid non-governmental organisations (NGOs) in Germany. The Association was founded in 1995 and comprises around 140 organisations. Their backgrounds lie in private and church-related development cooperation, humanitarian aid as well as development education, public relations and advocacy. VENRO's central goal is to achieve justice in globalisation, and in particular to eradicate global poverty. The Association works towards

realising human rights and conserving natural resources.

VENRO has been invited by the German Government to submit a report on Germany's development cooperation efforts since 2015. VENRO is grateful for the opportunity to contribute a civil society perspective to the review process, and is looking forward to discussions with the OECD Development Assistance Committee (OECD DAC) team.

## 1. GLOBAL EFFORTS FOR SUSTAINABLE DEVELOPMENT

### 1.1. Efforts to support global sustainable development

The German Federal Government is an active supporter of the Paris Agreement and the 2030 Agenda, which set out a new framework for international cooperation in 2015. Furthermore, the Federal Government specified its general strategies and goals for Germany's development cooperation in the coalition agreement of 2018. This agreement refers to the implementation of the 2030 Agenda and the promotion of sustainable development as the benchmark for government action. In addition, the coalition agreement makes a clear commitment to implement the Paris Agreement on Climate Change, which is anchored in various chapters.

Much emphasis is given to cooperation with the African continent. A key aspect is the further development of the Africa Policy Guidelines. In a positive

move, the German Government has announced its intention to be a pioneer for a fair-trade policy with Africa, and that the Economic Partnership Agreements are to be reviewed.

Development policy and humanitarian aid are consistently addressed in a close context with migration, security and defence policy. We see this as a risk that development policy will be instrumentalised for security policy objectives, and marginalised as a policy field in its own right. In the area of asylum and migration policy, the coalition partners are focusing their measures primarily on limiting immigration.

In past years, Germany has regularly shown leadership at the international level and promoted multi-lateral processes. We want to give special attention to three topics in this context:

## Climate change

On the one hand, the German Government has distinguished itself as a proactive player in the negotiations on the Paris Agreement on Climate Change. It is committed to greater climate and resource protection in developing countries, especially the development of renewable energy systems. In the field of climate financing, Germany continues to be a global driver of development and multilateral cooperation. Chancellor Angela Merkel pledged in 2015 to double Germany's budget for climate financing from around 2 billion euro in 2014 to around 4 billion euro by 2020. Germany was the first country to make commitments to the Green Climate Fund (GCF), both for the first funding round in 2014/2015 as well as for the first formal replenishment of the fund in 2019, for which it set the bar high by doubling its previous contribution to 1.5 billion euro.

On the other hand, a lack of progress in the national implementation of the Paris Agreement targets is no longer in tune with Germany's international reputation as a champion of climate protection. Without the effects of the corona pandemic, Germany would not have reached its emission reduction targets for 2020.<sup>1</sup> The Climate Protection Programme 2030 makes the achievement of the already insufficient climate targets for 2030 extremely unlikely, as it will not bring about the necessary turnaround in crucial sectors. For example, transport sector emissions have not fallen since 1990, the expansion of wind energy has come almost to a standstill, the coal phase-out by 2038 comes too late, and energy-saving measures have never been seriously pursued. Moreover, little progress has been made in the building and agricultural sectors. In the Climate Protection Act of 2019, a binding long-term target for greenhouse gas neutrality by 2050 was dropped. There is also a lack of independent monitoring and readjustment mechanisms.

<sup>1</sup> [https://www.agora-energiawende.de/fileadmin2/Projekte/2020/\\_ohne\\_Projekt/2020-03\\_Corona\\_Krise/178\\_A-EW\\_Corona-Drop\\_WEB.pdf](https://www.agora-energiawende.de/fileadmin2/Projekte/2020/_ohne_Projekt/2020-03_Corona_Krise/178_A-EW_Corona-Drop_WEB.pdf)

## Recommendations:

- The German Government must adjust its emission reduction targets upwards to be compatible with the 1.5 °C limit enshrined in the Paris Agreement, and support the same in the EU. The Government should act accordingly in areas such as renewable energy expansion, transport and agriculture, both domestically as well as in its development cooperation.
- With the climate crisis unfolding, Germany should actively push other developed countries to scale up climate finance to developing countries beyond 2020, indicating a plan to double climate finance from the envisaged 4 billion euro in 2020 to 8 billion euro annually by 2025.
- Germany should promote international action to close institutional and legal gaps for people particularly affected by the climate crisis, such as climate-induced migrants.

## Global health

With its contributions to the G7 and G20, Chancellor Angela Merkel's six-point plan in response to the Ebola crisis, and initiatives such as "Healthy Systems – Healthy Lives" or the "Global Action Plan for Healthy Lives and Well-Being for All", Germany has assumed an internationally respected role in the field of global health. At the national level, for the first time a separate paragraph was devoted to global health in the coalition agreement of 2018. A subcommittee on the issue was also established in the German Parliament.

It is the ambition of the Federal Government to take a pioneering role in this field. In absolute figures, Germany is the third-largest state donor in the fi-

nancing of global health. However, the German contribution is far behind the average performance of European donor countries in comparison to Germany's economic strength. This is particularly true in the context of the current restructuring of the Federal Ministry for Economic Cooperation and Development (BMZ) as part of the "BMZ 2030" concept. Contrary to the ministry's initial plans to terminate bilateral cooperation in the health sector in favour of multilateral instruments, we welcome the fact that the experience with COVID-19 has led the BMZ to expand intergovernmental cooperation, particularly in the health sector, with a focus on strengthening health systems.

#### Recommendations:

- By 2025, Germany should contribute at least 0.1 percent of gross national income (GNI) to health-related development cooperation. The Government should also promote a recalculation of this target within the WHO, based on the actual needs to achieve SDG 3.
- When distributing health-related official developmental assistance (ODA) funds, Germany should prioritise states whose own resources are not sufficient for the minimum financing of their health systems.

#### The Global Compact for Safe, Orderly and Regular Migration

The Compact is a milestone in international migration policy and we welcome the fact that the Federal Government has been strongly advocating its adoption, for example through Chancellor Angela Merkel's personal participation in the adoption conference at Marrakesh.

The agreement includes a recommendation to all participating states to adopt plans for implementation at national level in a timely manner. In our view, the success of the Compact depends on the

manner of its implementation, which should be oriented towards the guiding principles of the Global Compact, and which requires a coherent governmental approach by all departments. Civil society and its expertise should also be involved in the implementation. Unfortunately, there are currently no concrete plans for the development of a national implementation plan by the German Government.

#### Recommendations:

- The German Government should adopt a development-oriented and rights-based implementation plan for Germany.
- To ensure coherence, implementation must be organised across ministries, and responsibilities clearly defined.
- Civil society organisations should be involved in the entire process.
- Regular progress reports should be prepared.
- Sufficient financial resources must be made available for the implementation.

### 1.2 Policy coherence

#### German Sustainable Development Strategy

The Federal Government has been actively promoting the development of the 2030 Agenda and was among the first to adopt an action plan for the Sustainable Development Goals (SDGs). The implementation of the 2030 Agenda and the promotion of sustainable development are described in the coalition agreement of 2018 as the benchmark for government action. However, there are no indications as to how systematic implementation can be ensured in all departments, or how the lack of coherence can be overcome. This is only referred to in the chapter on environment and in the sections on foreign and development policy. In VENRO's view,

the necessary turn towards more sustainability, for example in agricultural, trade and energy policy, is not reflected in the coalition agreement. The global sustainability goals must serve as a holistic framework for political action in all policy areas. All departments of the Federal Government must act coherently in line with the 2030 Agenda.

The central instrument for the implementation of the 2030 Agenda is the German Sustainable Development Strategy (GSDS), which is to be continuously and ambitiously developed. Thus in 2016 it was revised and aligned with the SDGs. In 2018, the strategy was updated, and the next revision is due in 2020. However, only a few indicators refer to international processes. Important areas such as poverty, nutrition and health are underpinned only by national targets and indicators. Although the global dimension of these problem areas is described in the text, it is not covered by targets and indicators. In our view, in light of the global impacts of German actions, significantly more ambitious goals should be included in the GSDS, and the different policy areas should be made significantly more coherent. This applies foremost to the policy areas that have so far impeded in particular the poorest countries and their populations in their development: growth and export-oriented economic policies as well as agricultural and trade policies. In addition, the German Government should show more clearly how the poorest and most disadvantaged groups benefit first and disproportionately from measures. The basic principle of “leaving no-one behind” as well as its complement, namely “reach the furthest behind first”, should be the guiding principle.

The Federal Government is lagging far behind the goals it has set itself. In its indicator report on the 2018 sustainability strategy, the Federal Statistical Office states that progress is too slow or even in the

wrong direction for more than half of the 66 indicators.<sup>2</sup>

### Recommendations:

- The German Government should give more consideration to the global impacts of its policies on sustainable development, particularly in the poorest countries. The principle of “leaving no-one behind” of the 2030 Agenda must become, in all its facets, the basis for all goals and all indicators of the German Sustainable Development Strategy (GSDS) as well as the government’s policies as a whole. This requires a coherent interministerial implementation plan.
- The Federal Government should present an annual coherence report that can be discussed in the Bundestag and commented on by civil society.
- The Government should also give regular account to the Bundestag and present the findings from the departmental reports on the implementation of the sustainability strategy as well as the indicator report of the Federal Statistical Office, and have them discussed in public meetings.
- A sustainability impact assessment should be set up to examine the content of all political initiatives and legislative projects.

### National Action Plan for Business and Human Rights

In 2016, after a two-year process, the German Government adopted the National Action Plan (NAP) for “Implementation of the UN Guidelines on Business and Human Rights (2016-2020)”. An Interministerial

<sup>2</sup> <https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Nachhaltigkeitsindikatoren/Publikationen/Downloads-Nachhaltigkeit/indicator-report-0230002189004.pdf>

Committee (IMC) under the leadership of the Federal Foreign Office (AA) is responsible for implementing the NAP. This process is accompanied by a group including trade unions and NGOs, including VENRO. The group is informed by the IMC and is allowed to submit proposals. We welcome the broad participation of the ministries and stakeholders.

With regard to corporate responsibility, the NAP only expects companies to introduce due-diligence procedures on a voluntary basis. Not even state-owned companies are obliged to do so. Nor has the observance of human rights due diligence been made a prerequisite for public contracts or for the promotion of foreign trade. The UN Guiding Principles explicitly emphasise that states have a special responsibility in areas in which they are economically active.

According to the NAP, a law requiring companies to exercise human rights due diligence should only be considered if less than half of German companies with more than 500 employees voluntarily implement due diligence by 2020. NGOs and trade unions have repeatedly criticised that the corresponding monitoring based on the methodology and the non-transparency of the process will not provide a sufficient and reliable basis for assessing the human rights due diligence of German companies. After the first survey phase in 2019, less than 20% of companies have met the requirements of the NAP.<sup>3</sup>

At the international level, since 2014 Germany has been impeding the work of the intergovernmental working group on a “UN Binding Treaty on Business and Human Rights”. Germany did not participate in the first meeting in October 2015. Although the EU and Germany took part in the three subsequent meetings from 2016 to 2018, they largely confined themselves to expressing procedural concerns and

fundamental doubts about the necessity of the agreement.

### Recommendations:

- A comprehensive law requiring companies to exercise human rights, social and environmental due diligence should be adopted by spring 2021.
- Binding criteria for the observance of human rights as well as social and environmental standards in procurement by the federal administration for all sensitive product groups should be introduced by 2021.
- The Government should present the announced plan for the consideration of binding minimum requirements for compliance with human rights due diligence in procurement law and its implementation by 2021.
- Binding regulations on human rights due diligence in the European Union and the United Nations should be promoted.

### Policy Guidelines for Africa

Africa has been a high priority for the German Government since 2015. In 2019, the Federal Government revised its Africa Policy Guidelines to ensure coherence between the different initiatives of the various ministries. These include the “Compact with Africa”, for which the Ministry of Finance is responsible, the “Pro!Africa” initiative of the Ministry of Economics, and the “Marshall Plan with Africa” of the Federal Ministry for Economic Cooperation and Development (BMZ).

<sup>3</sup> <https://www.auswaertiges-amt.de/blob/2333700/d15fc19d05e831966bccb305ad7622ca/nap-monitoring--summary-of-the-interim-report-2019-final-data.pdf>

The updated guidelines represent a new approach. The African states are called partners when it comes to solving multilateral problems. The guidelines' chosen priority areas focus on peace, security and stability, sustainable economic development, migration management and refugee protection, a rule-based world order, and the deepening of civil society partnerships. The reference points for the German Government's Africa policy have also been redefined: the goals of the African Union's Agenda 2063 are being taken into account, as are the 2030 Agenda, the Paris Agreement on Climate Change, and the global pacts on migration and refugees.

VENRO welcomes the goals of deepening civil society partnerships and strengthening civil society's spaces for action, which are becoming increasingly restricted in many states. According to CIVICUS Monitor data from November 2019, this applies to 49 African states. The restrictions range from legal and administrative regulations, discrimination, and violation of the freedom of assembly, association and opinion, to criminalisation, threats, persecution and murder of civil society actors.

It is positive that the Federal Government aims to use the Global Compact on Migration as a framework for future cooperation with its African partners. VENRO points out a lack of focus on opening legal migration routes and expanding employment opportunities in Germany, so that people can be protected and the potential of migration utilised. Meanwhile the guidelines continue to concentrate on migration prevention and repatriation measures.

"Reform partnerships" are an important instrument of Germany's Africa policy. The aim is to improve the framework conditions for private sector involvement in order to create jobs. In addition, the German Government has set up a development investment fund to promote private investment. Official development assistance must not be misused as hidden subsidies for the German economy. It should primarily benefit local micro-enterprises and small

and medium-sized enterprises (SMEs) in partner countries, whose investments create long-term local jobs. However, there is a danger that these partnerships might focus too strongly on promoting investment, and that poverty reduction is neglected in the process. We welcome approaches to cooperation with the private sector that promise opportunities for new jobs and better infrastructure. In the case of economic investments, however, attention must be paid to the stakeholders who benefit from them. The objective of market-based strategies and investment promotion mechanisms must always be the eradication of poverty and have to be accompanied by binding human rights as well as social and ecological standards.

Although the guidelines provide a common framework for the many initiatives, there is a lack of specific measures to achieve coherent political objectives.

### Recommendations:

- Harmonisation amongst the various Africa-related initiatives of the German Government and the European Union is necessary, including concrete proposals for deepened interministerial policy coordination. This also refers to German and EU policies that stand in contrast to sustainable development.
- Greater emphasis should be placed on opening legal migration routes and expanding job opportunities in Germany.
- The global challenge of climate change as well as its repercussions on security, migration and conflicts must receive greater attention. Germany's Africa policies must strike a balance between job creation and ecological considerations.
- Private investment promotion mechanisms must always be accompanied by binding human

rights, social and ecological standards, and be based on the interests and well-being of the people in African countries. Particular emphasis should be placed on small and medium-sized as well as micro enterprises, and the role of women in the economy, especially in rural areas.

- Civil society support in African countries must follow a bottom-up approach that appreciates the knowledge and perspectives of community-based organisations and grassroots actors. The German Government should support the protection of partner organisations affected or threatened by criminalisation, and demand that African governments allow freedom of the press and freedom of opinion.

### 1.3 Global awareness

Following the Global Action Programme on Education for Sustainable Development (ESD), a German National Action Plan for ESD was adopted in 2017. The Basic Law of the Federal Republic of Germany governs the responsibilities of the sixteen German states with regard to their cultural autonomy, which also includes the education sector. The federal structure of the German education system has to be taken into account for the implementation of ESD. A positive example is the Education for Sustainable Development State Coordinator Programme.

Even though civil society organisations in the development policy field are involved in some instances, it is not yet happening on a sufficient scale. This is also important in light of the fact that the annex to the roadmap of the new UNESCO programme “ESD for 2030” calls for education for sustainable development to be oriented more strongly towards the SDGs.

The BMZ, Engagement Global and the Federal Ministry of Education and Research (BMBF) should cooperate more closely and coherently. For example, the implementation of the National Action Plan on Education for Sustainable Development is coordinated by the BMBF, but Engagement Global is not adequately involved.

In line with the United Nations Development Programme (UNDP) recommendation, three percent of official development assistance (ODA) should be spent on sustainable development education. Public funding of ESD therefore has to be increased.

For some time, the BMBF has been planning to develop a set of indicators for monitoring the implementation of ESD. Unfortunately, this process has been repeatedly delayed and has not been made transparent to civil society actors. As a result, civil society has not been sufficiently included in the process.

#### Recommendations:

- Closer and more coherent cooperation of relevant state agencies at both national and federal-state level.
- Civil society’s right of initiative and the subsidiarity principle should be taken more into account.
- In line with international commitments, 3% of ODA should be spent on sustainable development education.
- Indicators for monitoring the implementation of ESD should be developed with strong civil society participation.

## 2. POLICY VISION AND FRAMEWORK

### 2.1 Framework

Despite an intensive drafting process, the BMZ has not turned the “Charter for the Future” into an operational framework for its development cooperation programmes.

With the “Marshall Plan with Africa”, published in 2017, it has placed its focus of support for sustainable development in the Global South on cooperation with African countries. The implementation of the plan was agreed upon in the coalition agreement of 2018. In a renewed African-European partnership, the donor-recipient relationships between the two continents are to be dissolved and replaced by a newly agreed partnership between equals. Despite this rhetoric, there was no consultation with African partners, nor were their needs prioritised during the development of the plan. In the meantime, the structure of the BMZ has been aligned to reflect the structure of the Marshall Plan.

The “BMZ 2030” reform strategy was presented in 2020. We welcome the fact that the BMZ refers to the 2030 Agenda and the Paris Agreement as the framework for its development policy. However, the selected five core issues, ten initiative topics and six quality features are not systematically derived from the 2030 Agenda. They are each assigned to relevant SDGs, thus formally naming every goal at least once. A coherent implementation of the 2030 Agenda is not evident from the thematic priorities. The principle of “leaving no-one behind” is not mentioned.

In a 2018 strategy paper called “Development Policy 2030”, it was announced that development cooperation would follow an approach of “support and

challenge”, and that the number of partner countries would be reduced. A central instrument in this context is “reform partnerships”, as specified in the Marshall Plan. The aim of these partnerships is to improve conditions for private investments in African countries and hence the creation of jobs. We want to point out that cooperation should not only focus on reform champions among developing countries. The absolute number of Least Developed Countries (LDCs) has decreased compared to the previous list of partner countries. It is important not to disregard countries that are particularly dependent on international solidarity and support, also through bilateral development cooperation. The people in the poorest and most fragile countries must not be forgotten. Moreover, the decline in state cooperation cannot be compensated for by civil society actors. Even though private investments are important for economic development, publicly supported private investments must be measured by their contribution to sustainable development and help ensure that the poorest people benefit most from these economic activities.

The Federal Government has increasingly shifted its attention to measures of border and migration control as well as the repatriation of irregular migrants. At the same time, it has set up return and reintegration programmes to encourage refugees and migrants to return to their home countries, for example the BMZ’s “Returning to New Opportunities” programme. “Tackling the root causes of displacement” is also a central theme in German development cooperation. VENRO wishes to express its concern that development, migration and security policy are becoming intertwined under this heading. Development cooperation should not be instrumentalised for domestic political purposes. Measures supporting border control should not be labelled as



development aid. Official development assistance must not be used as a means of exerting political pressure in negotiations on migration and asylum policies.

### Recommendations:

- In the development of strategies and policies, African governments and civil society should be more involved and their needs should be brought into focus. “Leave no-one behind” should be the basic guiding principle.
- Development policy strategies like “BMZ 2030” should be closely aligned with the SDGs.
- Development cooperation must not be used for domestic or restrictive migration policy purposes.

## 2.2 Principles and guidance

In the ministry’s current strategy, “BMZ 2030”, the central goals of poverty reduction, gender justice and human rights are not mentioned as topics but as quality features. Children’s rights are not explicitly mentioned.

BMZ has developed strategies on various cross-cutting issues. In our view, however, the opportunities offered by the preparation of action plans are not yet being fully utilised in German development cooperation.

### Persons with disabilities

The current “Strategy on inclusion for Germany’s development cooperation activities” was published by the BMZ in December 2019. In 2016, the ministry had commissioned a comprehensive and independent evaluation by the German Institute for Development Evaluation (DEval) of the previous “Action Plan for the Inclusion of Persons with Disabilities (2013-2015)”. DEval developed practice-oriented

recommendations for a follow-up strategy with higher effectiveness. In the following two-year process of developing the inclusion strategy, German civil society organisations were able to participate in a panel of experts and submit proposals and recommendations.

For example, the implementation of the OECD-DAC policy marker on the inclusion and empowerment of persons with disabilities (shorter OECD-DAC disability inclusion policy marker) is an important step for evaluating the scale of investments in disability inclusive German development cooperation measures, for more transparency and international comparability. Although Germany supported the introduction of the marker and other OECD countries have proceeded to its implementation since 2018, BMZ expresses reservations about its implementation in the strategy.

### Recommendations:

- BMZ should define indicators, specific measures, a timetable and resources for the implementation of the inclusion strategy, and should engage in dialogue with civil society.
- BMZ should start implementing the OECD DAC disability inclusion policy Marker adopted in 2018 without further delay.
- Affected departments should be involved in the development of the implementation plan and support the decisions.

### Gender equality

In the coalition agreement of 2018, the governing parties emphasise gender equality and the promotion of the rights of girls and women as the basis for development cooperation. According to the BMZ, equality is a principle of German development policy. The Gender Action Plan 2016 (GAP II), which ex-

pires in 2020, refers to the Sustainable Development Goals and contains ambitious strategic objectives. The three-pronged approach of gender mainstreaming, empowerment and international policy dialogue should also be noted positively.

A major deficit, however, is the lack of concrete indicators for measuring progress in implementation. GAP II is currently being evaluated, which cannot be accomplished satisfactorily due to the lack of indicators. It has become apparent that the plan has not succeeded in systematically anchoring the gender approach in the ministry. There is a need for greater coherence with other relevant BMZ strategy papers and concepts. Moreover, GAP II lacks funding. In 2015, 46.5% of bilateral allocable ODA was still being channelled into projects and programmes that pursued gender equality. In 2018, the corresponding share was only around 40%. The fraction of projects whose primary goal is committed to gender equality and women's empowerment was only 2% of bilateral ODA.

### Recommendations:

- As a quality feature, gender should be declared a binding component of all core and initiative topics by the BMZ. The implementation should be laid down in a strategic plan.
- The three-pronged approach of GAP II must be retained in the implementation of the BMZ 2030 process.
- Civil society, especially women and girls, must be involved in the development of GAP III.
- The financing of GAP III must be ensured and it must include indicators to measure the progress of implementation.

### Children's and youth rights

In 2017, the BMZ published an action plan titled "Agents of Change – Children and Youth Rights in German Development Cooperation (2017-2019)". It identifies children and young people as a key target group of German development cooperation. The action plan formulates goals and principles, and presents existing measures. Unfortunately, no indicators were defined and no baseline data were collected to measure implementation and effectiveness. Additional financial resources for implementation are not planned. Furthermore, there is no monitoring of the funds provided.

The BMZ does not have a child protection policy of its own for itself and its implementing organisations, despite the large number of staff. The action plan merely announced that an introduction of such a policy would be considered.

It is to be welcomed that the action plan sets out the goal of actively involving children in projects in the Global South and in development policy processes in Germany. The establishment of a youth advisory council was postponed due to the corona pandemic.

The action plan expired in 2019, and a follow-up strategy is still missing. In the "BMZ 2030" strategy, children are not a key target group nor are children's rights mentioned at all.

### Recommendations:

- A child protection policy based on international standards has to be developed for BMZ and its implementing organisations.
- BMZ has to develop a new action plan. Crucial for a new strategy will be the collection of baseline data, the definition of strategic goals and the development of indicators for evaluation. Moreover, adequate personal and financial resources are required.

- The participation of children and young people has to be systematically promoted. They should be included in strategic and implementation

processes of projects that have an impact on their situation.

## 3. FINANCING FOR DEVELOPMENT

### 3.1 Overall ODA volume

The coalition agreement of 2018 reaffirms the goal of spending 0.7% of gross national income (GNI) on official developmental assistance (ODA) and of spending 0.15 to 0.2% of GNI on the group of the least developed countries (LDCs).

German ODA spending has risen sharply in recent years. The budget of the BMZ, which is decisive for the ODA ratio, rose from 6.5 billion euro in 2015 to 10.25 billion euro in 2019. The Federal Government's total budget for development cooperation amounts to 21.3 billion euro in 2019. Several ministries manage ODA resources. The Federal Foreign Office, overseeing humanitarian assistance, provides the largest share aside from the BMZ. Funds for humanitarian assistance have risen from 437 million euro in 2015 to 1.7 billion euro in 2019. We appreciate and welcome the fact, that the budgets of the BMZ and for humanitarian assistance are growing. Still, except for 2016, Germany missed the 0.7% target every year. That year was an exception because of a temporary increase in the number of asylum seekers since 2015. Since 2016, the German Government has declared a larger volume of contributions which are linked to domestic expenditure on refugees as ODA.

The ODA ratio was 0.61% in 2018 and decreased slightly to 0.6% the following year. However, the medium-term financial planning provides for a decrease in the BMZ budget from 2021, moving further away from the 0.7% target by the end of the legislative period if the Government adheres to this financial planning. Due to the COVID-19 pandemic,

adjustments were made to the federal budget. Accordingly, the ODA ratio will probably be higher than expected in 2020. Still, effective increases will be necessary to reach the 0.7% mark. Moreover, we would like to emphasise that a different basis than the GNI for calculating development funds is needed. Economic fluctuations represented in the GNI should not determine whether ODA targets are met. Budgeting for development should be more closely aligned with actual needs to reach the SDGs and Paris Agreement and to get back on track after the corona pandemic.

The Government also falls short of its commitments to provide 0.15 to 0.2% of GNI for the least developed countries and to spend 3% of total ODA on development education. Currently, there is no plan to reach these targets.

Funds for the promotion of NGOs have stagnated at 11% of the BMZ budget since 2016. In terms of total ODA, contributions to NGOs remained at 7% between 2017 and 2018. This is all the more regrettable as the German Government has repeatedly – and most recently in its Africa Policy Guidelines – advocated strengthening civil society. By contrast, there has been strong growth in ODA spending on public-private partnerships, by more than 14 times, in the years 2013 to 2017.

Funds for NGOs are made available through complicated and bureaucratic funding programmes with high transaction costs. We have experienced that the possibilities to obtain funds have become more conditioned and complicated. Application processes require long-term planning for often quite short

funding periods for projects. The role of civil society in Germany and partner countries could be much stronger if funding lines would be less bureaucratic, more flexible and thematically unconditioned. Another important way to lever the role of civil society would be to lower the percentage of the own contribution.

#### Recommendations:

- Germany should comply with international commitments and contribute 0.7% of GNI for development cooperation.
- Funds for the promotion of NGOs should be increased.
- Funding conditions should be improved, especially more flexibility and a lower own contribution.

### 3.2 Bilateral ODA allocations

#### Geographic allocations

Germany's development cooperation and humanitarian assistance has a clear geographical focus, with 50% of ODA being used in Africa and the Middle East. As part of the "BMZ 2030" reform process, bilateral cooperation has been concentrated even more strongly in these regions. Still, the three largest ODA recipients are Indonesia, India and China. In the case of China, the German Federal Government has not provided any budget funds for development cooperation since 2009. Within the framework of Financial Cooperation, for example, promotional loans are used to finance investments in environmental and climate protection. The absolute number of least developed countries (LDCs) has decreased compared to the previous list of countries. Since the reform strategy provides for a further reduction of the country list, the BMZ plans to hand over more responsibilities to NGOs in countries

where bilateral development cooperation is terminated. In our view, state cooperation cannot be compensated for by civil society actors. If the German Government wants NGOs to stronger engage in countries where bilateral cooperation is ended, there have to be consultations with civil society representatives in Germany and the partner countries. Subsequently, sufficient funds must be made available for this purpose.

According to the United Nations, donor countries are supposed to spend ODA funds amounting to 0.15% to 0.2% of GNI on the LDCs. The UN member states reaffirmed the target, which has existed since 1990, in 2015 at the Third International Conference on Financing for Development in Addis Ababa, and in the 2030 Agenda. In the coalition agreement, the German Government commits itself to this target, but without specifying a concrete timetable for its achievement. ODA spending for the LDCs has increased from 2.5 billion euro in 2013 to 4.2 billion euro in 2018. Nonetheless, in 2018 it only amounted to 0.12% of GNI. Germany has thus continued to fall well short of the target.

#### Recommendations:

- Germany should comply with international commitments and contribute 0.15% to 0.2% of GNI for cooperation with LDCs.
- The use of ODA funds must always be guided by the "leaving no-one behind" principle.
- Germany should focus its ODA on supporting LDCs and on supporting the poorest and most vulnerable groups in middle income countries.

### 3.3 Multilateral ODA allocations

Germany's contributions to multilateral institutions have increased. We welcome this support. But we must also stress that multilateral engagement is no substitute for bilateral development cooperation. For some years now, Germany has announced in strategy papers a reduction in the number of partner countries and a shift towards more multilateral structures. This is put into concrete terms in the "BMZ 2030" strategy.

Germany's earmarked contributions to multilateral organisations have increased strongly in recent years. The multilateral system needs to be significantly strengthened, but preferably through core contributions rather than project financing.

#### Recommendations:

- Germany should increase the share of core contributions to multilateral organisations.

### 3.4 Private sector support

With the "Marshall Plan with Africa", the "Compact with Africa" and the "Development Investment Fund", the German Government plans to continue to promote private sector investment in African countries. A further increase in ODA spending on public-private partnerships is therefore expected in the coming years.

Initiatives such as the one billion euro "Development Investment Fund" to promote private investment can make an important contribution to economic development. We welcome the fact that the "Africa Grow" programme is aimed directly at Afri-

can companies. However, the "Africa Connect" programme is intended to support German and European companies in investing in Africa. Publicly funded private investment must be measured by its contribution to sustainable development and must help to ensure that the poorest people are the first and greatest beneficiaries of these economic activities. In principle, companies must be more closely monitored in their investments and economic activities through appropriate frameworks, especially to ensure that they comply with their human rights due diligence obligations, transparency standards and minimum social and ecological standards.

After several evaluations, DEval has also concluded that the involvement of companies in general can help to achieve development policy goals. However, so far it could not be determined if private involvement actually improved the situation of target groups.<sup>4</sup>

#### Recommendations:

- ODA funds should only be used for supporting private investments if the business activities can be expected to have a development impact, particularly by reducing poverty and eradicating social inequality. Private investments must fulfil socio-ecological and human rights minimum standards and contribute to the principle of "leaving no-one behind".
- Measures and projects supported with public funds should favour SMEs in the formal and informal sector, aim for a transfer of technology and knowledge with a broad impact, promote sustainable capacity building, and focus on programmes for vocational and further education.

<sup>4</sup> [http://www.deval.org/files/content/Dateien/Evaluierung/Policy%20Briefs/DEval\\_68\\_Policy%20Brief%2011.18\\_Agrarsektor\\_EN\\_web.pdf](http://www.deval.org/files/content/Dateien/Evaluierung/Policy%20Briefs/DEval_68_Policy%20Brief%2011.18_Agrarsektor_EN_web.pdf)

## 4. STRUCTURES AND SYSTEMS

### 4.1 Authority, mandate and coordination

The State Secretaries' Committee for Sustainable Development (StnE) is the coordinating committee of the Federal Government for promoting coherence and implementation of sustainable development in government policies. From our perspective, the decisions of the StnE have so far had too little effect in the ministries. Moreover, most of the decisions are also not far-reaching enough to really advance sustainable development and the 2030 Agenda. With regard to achieving the goals of the 2030 Agenda and implementing the German Sustainable Development Strategy, it is of central importance that the committee's role is developed further. The StnE needs to openly address existing conflicts of interest between various line ministries, i.e. between the Ministry of Economics, Agriculture, the Foreign Office and the Development Ministry. The expansion of the StnE towards a Standing Committee for Sustainable Development within the German Cabinet should be explored with the aim to strengthen long-term coordination of government policies. We welcome the midterm topic-setting of the StnE meetings. However, this also requires the early and public establishment of regular meetings, a strong action plan (as also called for in the International Peer Review of the GSDS) and a clearer orientation of the choice of topics to ongoing SDG processes. The committee should also look in depth at the progress made in achieving the goals of the 2030 Agenda globally, in particular with a view to achieving global equity and participation for all, as reviewed annually in the United Nations High Level Political Forum (HLPF).

We also welcome the establishment of a dialogue group at the StnE, announced back in 2016, whose members are able to participate in departmental discussions in preparation for the StnE meetings.

Yet we call for a more effective and not just formal involvement of NGOs.

We welcome the appointments of the coordinators for sustainable development, who serve as central contact persons, to increase the importance of sustainability and coherence within the individual ministries. They have started their work with some delay. We welcome the fact that they are willing to engage in dialogue with civil society, for example by participating in events. However, their human and financial resources should be improved if they are really to coordinate coherent sustainable action for their respective departments.

The German Bundestag and, in particular, the Parliamentary Advisory Council for Sustainable Development (PBnE) must be strengthened considerably to achieve the goals of the 2030 Agenda, the Paris Agreement and the GSDS. These framework documents should be a regular topic of discussion in committees and plenary debates. The German Bundestag must also deal much more intensively with aspects of sustainable development and its coherence in legislation.

#### Recommendations:

- The StnE needs to openly address existing conflicts of interest between various line ministries. The expansion of the StnE towards a Standing Committee for Sustainable Development within the German Cabinet should be explored with the aim to strengthen long-term coordination of government policies. The departmental coordinators should be strengthened in the fulfilment of their tasks by the allocation of financial and human resources.

- The PBnE should be strengthened by enabling it to carry out an effective sustainability impact assessment of all future legislative projects and measures.
- Civil society consultation in the dialogue group should be continued. The group should be

strengthened in terms of its consultative effectiveness by sending out invitations and discussion papers in a timely manner and clearly defining the issues to be discussed. The StnE should report back on the results of the meetings.

## 5. DELIVERY MODALITIES AND PARTNERSHIPS – GLOBALLY, REGIONALLY AND AT COUNTRY LEVEL

### 5.1 Effective partnerships

The BMZ's "private providers" (*"Private Träger"*) budget item provides funds for civil society projects which are developed by local partners and implemented in cooperation with German NGOs. BMZ and civil society agreed on the fact that by 2030, the annual budget of this funding line should be increased from the current 120 million euro to 500 million euro.<sup>5</sup> This would correspond to an annual increase of just under 14%. In the budget plans for 2019 and 2020, funds have completely stagnated. In general, there is a need to fundamentally improve the conditions for funding under this budget item and to simplify the application and settlement procedures.

For projects to have the desired effect, measures that were initially planned and have already started must often be adjusted in the course of implementation. Unfortunately, the flexibility that NGOs require here is often restricted by the rigid funding requirements of donor institutions like the BMZ or Federal Foreign Office. Lengthy decision-making

and coordination processes stand in the way of project success. This also applies to budget planning. In order to make project adjustments, it must be possible to use funds flexibly. Small NGOs in particular rarely have the financial leeway to prefinance necessary changes until an amendment is approved.

NGOs encourage their partner organisations in the South to develop and pursue their own understanding of outcome and impact orientation. It has proven to be useful for target groups to define their own expectations about project outcomes, impacts, and whether these goals have been achieved. We call upon the donor institutions to refrain from making standard indicators a requirement for project funding.

Due to insufficient commitment appropriations (*"Verpflichtungsermächtigungen"*), in other words funds which will only lead to expenditure in later financial years, NGOs are currently required to plan projects with a duration of only one to two years. This makes it more difficult to build lasting partnerships with local civil society organisations. To plan and implement sustainable structural changes with

<sup>5</sup> [https://venro.org/fileadmin/user\\_upload/BMZ-VENRO-Perpektivpapier\\_Okt2017.pdf](https://venro.org/fileadmin/user_upload/BMZ-VENRO-Perpektivpapier_Okt2017.pdf)

long-term effects, NGOs need longer time horizons. The increase in cash funds in recent years must therefore be secured by an increase in commitment appropriations.

As part of the BMZ's support for civil society organisations, the diversity of German NGOs and their specialist expertise should also be reflected. On the one hand, small or less experienced organisations must be enabled to get access to public funding for smaller projects. Especially in this context, advice and support regarding the guidelines for funding lines have to be improved by Engagement Global or other institutions. On the other hand, there are many experienced organisations capable of implementing small, medium and large projects and programmes with a variety of partners. Via this diversity of German civil society organisations, BMZ can reach a broad variety of civil society actors in partner countries and help to save and strengthen spaces for civil society as an actor for change and development in keeping with SDG 17. To this end the principle of subsidiarity and the right of initiative of civil society have to be fully respected.

However, the introduction of so-called special initiatives (*"Sonderinitiativen"*) has led to a significant increase in thematic requirements.

Regarding the need for efficiency and effectivity it is important that the transaction costs in terms of administrative effort and financial means will be reduced. Procedures must be simple, timely and efficient and interventions by BMZ and Engagement

Global should not interfere with the content and concept of CSOs. Furthermore, the reduction of the own contribution could increase the impact of civil society.

### Recommendations:

- Funding programmes must respect the NGOs' right of initiative and the principle of subsidiarity as central aspects of cooperation between state and civil society actors.
- Funds under the "private providers" budget item should be increased. The conditions for funding should be adjusted. This means at most 10% own contribution, at least 10% administrative charge, and the defrayal of personnel costs also in Germany.
- More flexibility should be allowed and project objectives should be made the focus of funding. Project promoters should be given decision-making powers for adjustments to measures and strategies, including budget adjustments.
- The Government should refrain from making standard indicators a requirement for project funding.
- Support for long-term projects with periods of at least five years should be made possible.
- BMZ's support should reflect the diversity of Germany's civil society organisation.



## 6. RESULTS, EVALUATION AND LEARNING

Despite the referral in the 2018 spending review and other common guidelines of the German Government (see section 7), there is a lack of will to establish strategic evaluations in foreign policy and common evaluation mechanisms between the AA and the BMZ in complex crises, for example between humanitarian assistance and departments of transitional and development aid. In light of the “Do No Harm” principles to which the Federal Government has committed itself, future strategic evaluations should take conflicting impacts of different policy interventions and development cooperation into account.

We support the demand by German donors for impact-oriented planning and monitoring processes as well as for the evaluation of NGO programmes. Yet, the limitations of remote monitoring and evaluation of projects funded by AA or BMZ in fragile contexts are not yet sufficiently recognised, and the associated risks have so far been borne mainly by international and local civil society organisations.

Civil society organisations (CSOs) often lack resources to facilitate and manage impact orientation processes such as monitoring, evaluations and learning. Thus public donor institutions should provide better funding for NGO staff in Germany who facilitate outcome and impact-oriented project monitoring with the partner organisations. To this end, donor institutions must make allowances in their funding for training and capacity building in German NGOs and their partner organisations.

Where data is processed and managed, privacy rights and human rights must be respected. The Federal Government should enter into dialogue with German civil society on this issue. The human

rights risks of digital data processing and data management, and possible solutions for project work, should be discussed jointly.

We appreciate the revision of the OECD DAC evaluation criteria and the inclusion of coherence as an additional criterion. We interpret the revised criteria as a flexible tool, which must be adapted to the varying contexts. This is also explicitly mentioned by the OECD, namely that not all criteria have to be covered in all cases, but that it is possible to set priorities. This flexible approach is necessary for NGOs to focus and prioritise individual criteria or issues.

The focus should always be on the suitability for the target groups. Furthermore, we welcome the adaptability of measures under the criterion of relevance. This reinforces our demand for more flexibility on the part of public donors. We see a need for an adjustment of funding guidelines in this respect so that the adaptation of measures to changing contexts can take place effectively. We also appreciate the introduction of coherence as an essential criterion for creating synergies and making measures complementary. At the state level, coherence should be strengthened between the departments (especially humanitarian aid and development cooperation) and the state implementing organisations.

### Recommendations:

- Training, knowledge and capacity building for local partner organisations and NGOs based in Germany should be promoted, including the funding of staff and structures.
- The human rights risks of digital data processing and data management, and possible solutions for project work, should be discussed with civil society.

- OECD DAC criteria should be used flexibly in evaluations.
- The Federal Government should support dialogue between implementing agencies and NGOs in terms of monitoring, evaluation, knowledge management and learning.

## 7. FRAGILITY, CRISES AND HUMANITARIAN ASSISTANCE

In 2017, the German Government adopted guidelines on “Preventing Crisis, Resolving Conflicts, Building Peace” to increase cooperation between different line ministries. The already existing consultative body (*“Beirat Zivile Krisenprävention”*) of civil society networks, including VENRO, and peace research institutions has been strengthened and some limited funds channelled for support. Three interministerial strategies on Security Sector Reform, Promoting the Rule of Law, and Dealing with the Past and Reconciliation have been adopted and a common working group established. Implementation of common impact indicators and progress in partner countries is pending. A new interministerial working group on crisis early warning (*“Krisenfrüherkennung”*) has been established.

Some first steps on harmonising early warning indicators and foresight instruments have been realised. The integration of global health threats and climate change indicators has not been addressed yet.

According to the Federal Ministry for Economic Cooperation and Development (BMZ), development cooperation in fragile contexts has become the new normal. This trend is not reflected in bilateral cooperation and the number of partner countries agreeing on peace and security as the main focus of cooperation. The new “BMZ 2030” strategy has defined a list of nexus and peace partners. There is a contradictory trend to cooperate with good per-

formers (selected reform and transformation partnerships). The overall tendency is still to be seen and may be affected by the current corona pandemic.

The growing standards of compliance for German ministries together with EU or UN counterterrorism measures tend to endanger non-governmental action in fragile contexts. There is a lack of clear direction or a coordinated approach between BMZ and the Federal Foreign Office (AA) to manage risks and support civil society in fragile contexts. High compliance requirements create a sense of security on the donor side, but are often not responsive to needs in fragile contexts.

Humanitarian funds have quadrupled since 2015, and Germany has become the second largest bilateral humanitarian donor, having attached considerable weight to international policy discussions following the World Humanitarian Summit and the Grand Bargain. A new “Strategy for Humanitarian Assistance Abroad” was adopted in 2019. Generally, the strategy reflects important issues discussed with civil society humanitarian actors in the common Coordination Committee on Humanitarian Assistance. VENRO appreciates the strong acceptance of humanitarian principles and orientation towards humanitarian needs inside AA and the partnership approach with civil society in humanitarian assistance.

While the strategy refers to gender, age, displacement and other factors of potentially special vulnerability in crises, ways of analysing vulnerability, tracking numbers regarding affected populations on the one hand and dedicated funding on the other, and systematising inclusive programming in humanitarian actions can and should still be strengthened (see also the principle of gender equality above).

The numbers of dedicated personnel in the AA and in some cases in the BMZ, and the capacities of diplomatic missions in countries affected by fragility or humanitarian assistance needs, have not grown according to the ambition and financial weight. Limited management capacities of project funds for humanitarian assistance are favouring big NGOs, limiting diversity, and hindering the prospect of funding being directed more directly at local actors. More direct support to local NGOs and social organisations is needed, along with advocacy for their strategic influence in the humanitarian system. Localisation should lead to more effective and sustainable programmes, and promote long-term partnerships between local NGOs and international NGO partners. We continue to be critical about the growing imbalance of channelling funds mainly through UN organisations and centralised funds. This practice raises administration costs, delays funding streams, stresses a pattern of short-term response, and tends to exclude small local actors.

The Federal Foreign Office is currently establishing a new Institution for External Services (*“Bundesamt für Auswärtige Angelegenheiten”*) to improve the management of funds. Important questions about the role are still to be defined. Funding decisions should remain with the Foreign Office. The procedures should be as quick and easy as possible.

### Recommendations:

- Common crisis indicators should be developed and global health risk and climate change indicators should be fully integrated.
- Standards for risk management, remote control or personal safety should be established in humanitarian assistance (AA), and transitional aid and development (BMZ).
- New funding models for local actors and programme approaches with different funding sources (humanitarian, transitional, development, peace action) should be implemented.
- Humanitarian capacities inside ministries and diplomatic missions should be strengthened.
- Funding decision procedures should be quick and easy.

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