

Statement of Civil Society to DAC Peer Review of Germany 2010

23 March 2010

Contents (based on the agenda and guiding questions of the meeting of civil society representatives and DAC Peer Review Team 2 March 2010):

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1. Role of Civil Society in German Development Cooperation

To what extent is civil society consulted and able to influence development policies? How are views from the private sector and civil society taken into account and what role do they play in the policy-making process?

Civil society organisations in Germany are periodically consulted by the German government (concerning debt issues and IFI, in the implementation process of the Paris Declaration and the Accra Agenda for Action, in the preparation of G8 and G20 summits, Copenhagen and other important international events). There are regular consultations (at least biannual) of the board of VENRO and the minister.

Civil Society is also consulted with regard to partner country policies (“Ländergespräche”) as well as to some cross-cutting development policy issues. Although the “Ländergespräche” happen on a regular and quite standardized basis NGOs feel that their influence is very limited. Consultations on cross-cutting development policy issues depend on individual interests and attitudes of ministry officials. CS involvement in policy issues often happens only after explicit request from NGOs. In so far the exchange of ministry officials in higher management positions (e.g. after the change of government) thus often means the end of well established lobby contacts.

The BMZ Department of Health invites to regular round table meetings with civil society organizations engaged in international cooperation in this field. Up to now, these meetings are primarily dedicated to information sharing with some possibilities to discuss critical views on policies and strategies. In the past these regular exchanges were also organised by the BMZ Department for Gender.

Albeit being explicitly defined as cross-cutting, global structural policy development concerns are rather foreign to many ministries besides the development ministry (see policy coherence). Therefore civil society dialogue and consultation with these ministries can be quite difficult (accessibility, transparency, choice of CS representatives, openness). In some cases (e.g. Finance Ministry) there has been some (slow) progress in the last years. CSOs sometimes play a complementary role by providing public support for some political actors against others (e.g. development ministry against finance ministry in questions of ODA contributions in the public budget). In other cases CSOs act as watch dogs using public action and media contacts as their means.

Policy gets influenced by Civil Society through contact with parliamentarians, also using the media. Consultation and dialogue with parliament in general happens on an individual basis and only occasionally in a more open and transparent manner at the occasion of public hearings. The parliamentary development committee is rather active on that front.

Dialogue on policies and strategies of development cooperation was also made possible by the participation of representatives of the Ministry for Economic Cooperation and Development and the respective parliamentary committee in NGO conferences. In some cases these events were co-organized. Sometimes Civil Society is invited to German international conference delegations (Financing for Development Conference and others). The feedback also from international colleagues was an attitude of openness on the side of the German government towards NGO positions.

But NGOs are not always able to influence development policies. The influence is stronger concerning human rights and democracy in developing countries and is weaker regarding issues of coherence in international development policy like the governance of International

Financial Institutions, new international financial architecture or climate and international trade.

The experiences regarding sector consultations are mixed and there are positive and negative examples: Whereas the “Position Paper on Disability and Development” is a positive example for meaningful participation of Civil Society the BMZ failed to facilitate a direct and adequate consultation with experienced organizations of civil society for the formulation of the Sector Strategy: German Development Policy in the Health Sector. The failure to mention critical documents such as the UN Declaration of Commitment on HIV/AIDS, to develop a comprehensive understanding of social determinants of health outcomes, to delineate a fair financial contribution for international cooperation in support of health promotion and to analyse correctly the provisions and implications of monopoly rights imposed through the TRIPS Agreement and regional trade agreements rank among the important negative consequences. On the other hand the affirmation that universal human rights and internationally agreed targets form the key framework for action reflects the spaces of dialogue which contributed to significant points of conceptual coincidence between governmental agencies and civil society.

There are regular exchanges on the international financial architecture and poverty reduction with the World Bank Desk of the BMZ and a little less regular with the Ministry of Finance. Over the years consistent pressure has encouraged a somewhat softer stance on the need for the present size of the European representation in Global Governance at IMF and World Bank.

With a high degree of probability the advocacy work by civil society was among the contributing factors which led to the encouraging, though insufficient, annual increments of real ODA transfers seen between 2005 and 2009 as well as the significant but not satisfying increase of the contribution to the Global Fund in the current replenishment period. However, the positions and actions taken by the present government, such as disregard of the minimum country target of 0.51% ODA/GNI for 2010, the completely insufficient increment of the BMZ budget for the current year and the intent to curtail the Global Fund contribution - amended afterwards due to public pressure - represent clear signs of the reluctance to live up to the existing international goals and promises.

Recent German governments have all opted for an international debt work out procedure as a result of long term and consistent efforts of the German Jubilee Campaign. Parliamentary resolutions, party programs and coalition contracts bear witness of the same. But Germany has never taken an international lead on this issue, say comparable to Norway.

Civil Society has not (yet?) been in a position to influence the development policies of the new conservative/ liberal Government on the criteria for budget support, the role of multilateral development activities vs. bilateral, not sticking to the European ODA escalation plan, etc.

Unlike private sector organisations CSOs do not promote their agenda by donations to political parties and/or formal cooperation within official institutions (like ministries). The private sector views generally get more prominence in parliamentary hearings and with the governments in general. Private sector views strongly influence the cooperation ministries thinking on foreign direct investment, on trade and on the role of governance in development. In fact, the private sector is investing huge resources for lobbying and influencing political decision-makers to advance its particular commercial interests and in many cases these attempts are quite successful. At present CSOs have some preoccupations regarding the influence of the private sector because the new government explicitly sees a supportive role of development cooperation for the German export industries.

The overarching problem is a lack of transparency and of clear rules regarding transparency issues. Information about policies and political practice of German representatives in multilateral institutions and initiatives is often difficult to obtain (if at all). Insufficient transparency regarding the reporting on aid activities in international databases combined with the lack of comprehensive presentation of projects and programmes through publications or web-sites of implementing organizations impedes the tracking of resource flows for specific purposes, regions and other significant aspects, thus limiting the possibilities to plan future resource allocation according to unmet needs.

The budgetary process is held without much public access and awareness, the financial shaping and programming is even difficult – at times impossible - to follow for parliamentary development committee members. Many important elements of the process are not transparent (preparation of the budget done by the BMZ, consultation in the cabinet, meetings of the budget committee). Confidential elaborations e.g. on the development ministries budget plan (EP 23), which are laying out special modalities for the programming of aid are given to MPs but not to civil society. Sometimes they are given to the press by MPs/individuals and are handed afterwards to some NGOs.

How are NGOs monitored and evaluated?

Project work of NGOs that receive public funds for their work in developing countries is systematically monitored and evaluated on a regular basis by the development ministry. Special agreements regulate the Governments cooperation with foundations, Churches, networks and other secular NGOs, monitoring and evaluations are part of these agreements. All projects are to be audited.

The two big Christian communities in Germany (Catholic and Protestant Church) enjoy considerable freedom in the use of public resources provided to them for development goals. But this happens within a clear framework with close institutionalized dialogue and systematic monitoring and evaluation (as mentioned above).

Publicly financed projects for domestic activities (e.g. awareness raising, development education) are monitored according to the reigning rules of the public agency.

According to their institutional form NGOs are subject to respective rules and requirements (e.g. “Vereinsrecht”). They regularly evaluate internal work and processes against stated objectives and aims. Large NGOs have their internal evaluation unit and also commission external evaluations, smaller NGOs usually rely on external evaluations. Although Government funding for evaluations, capacity building and organisational development is available, it is not adequate that evaluation costs have to be included in the project proposal. There is no separate funding outside a specific project available.

NGOs work intensively on improving their impact monitoring. In the project NGO-IDEAs (www.ngo-ideas.net), co-funded by BMZ, 14 German NGOs cooperate to identify and develop, jointly with 33 partners in the South, genuine concepts and tools for NGOs in the areas of outcome and impact assessment and monitoring and evaluation.

An evaluation of German humanitarian assistance (BMZ and Foreign Affairs) is under way. Otherwise, as far as we know, no official evaluation and monitoring of NGO’s work in general is going on.

2. Public Opinion and Support

In general, public awareness is often limited to national policies lacking an understanding of global dependencies and interconnectivity. Public opinion tends to ignore the impact and role of domestic, national or regional policies on other countries especially developing countries. Development policy is therefore rather seen as ‘charity’ or global social policy than as necessary policy tool to ensure peace, sustainable development and equal opportunities. Public opinion is to some extent shaped by half knowledge and prejudices, leading to a negative assessment of issues like e.g. budget support. NGOs however have a clear mandate to influence public opinion and to raise awareness for these issues.

In recent years there have been repeatedly sceptical voices in the media questioning the very sense and effectivity of public development assistance. These voices which found a focal point in the so called “Bonner Aufruf” (Public Appeal from Bonn) in 2008 highlight the merits of private sector engagement and civil society activities in developing countries. NGOs in Germany have taken a differentiated position. While acknowledging that official development cooperation is facing some problems they stress the fact that other forms of development cooperation (e.g. by private sector engagement) also have their specific difficulties to deal with. They also insist on a complementary model where public development assistance has a role to play that cannot be assumed by other actors.

An opinion poll conducted by “Deine Stimme gegen Armut” in September 2008 revealed that 52.3% of the German population had heard about the MDGs. 11.6% could name a concrete MDG. Keeping promises on development issues by the German government was regarded as extremely and very important by 64.4% (September 2007).

To what extent and how are civil society organisations involved in raising public awareness? / How does the government support NGO outreach activities to increase public understanding of and public support for development cooperation?

CSOs in Germany network around special issues like debt, climate, agricultural development, food security, health promotion, trade, peaceful conflict management etc. and engage in campaigning, advocacy, education and awareness raising as individual organisations as well as in these networks. A number of specialised “think tanks”, campaign and policy dialogue organisations focus on influencing the interested parts of the German public and the media and maintaining and guiding the dialogue with political parties and the Government.

CSOs play a vital role in raising public awareness because of their rootedness in the population (e.g. church organisations) and their general credibility. This role is acknowledged by the government. NGOs can apply for public funds for development education and awareness raising activities, but the government support (through InWent) is less than what the churches provide. EEDs desk on development education is responsible for about 70% of German development education efforts (historically even more). Another one is the “Katholischer Fonds”. Churches also help funding and implementing campaigns and networks (debt cancellation, Trade Justice, Tax Justice, etc.).

The awareness raising of civil society is strong in environmental and human rights issues as well as in cases of catastrophe relief. Action against AIDS conducted public campaigns and published reports with the aim to raise public awareness on the HIV epidemic, its social causes and consequences, as well as the necessity that Germany contributes a fair share to the global efforts to halt the spread of HIV and mitigate the impact.

Although NGOs play a crucial role in providing non-formal education programs, the problem is that they have to do it on a rather unstable financial basis, because funding is only available for limited project periods. Unlike some other ministries, BMZ tends to be very bureaucratic and inflexible.

The new voluntary service “weltwärts” could support the understanding of sustainable development, but improvement is needed regarding quality standards for integrating education for sustainable development in this volunteering program as well as a reverse program.

3. Policy Coherence for Development

As mentioned already, political sensitivity for development impacts is far from being general knowledge in many ministries, ministry departments and parliamentary committees. To improve this situation NGOs have an important although in many cases not much appreciated role to play. Sometimes they are pioneering inter-ministerial contacts that didn't exist before.

There is too little coordination and coherence between finance, investment, energy and food policies of German financial market players, industry and commerce. The OECD national contact point is in the Economics Ministry, not at the BMZ, which does not have a veto on whether German industry developing country investment qualifies for the governments export credit support. The EU trade policies are out of participatory reach for the BMZ (and actually to a growing degree even for the economics ministry itself), etc.

The position to strengthen so-called intellectual property rights (coalition agreement), such as patent-based monopoly rights and other legal provisions to protect commercial interests of pharmaceutical companies against the competition of generic industry counteracts the declared goal to improve affordability of essential medicines.

In the field of agriculture and trade policies there are several examples for decisions undermining the efforts in developing countries to increase local food production: the reintroduction of export subsidies in the dairy sector, the continuous spending of agricultural subsidies without making sure that there is no dumping of surpluses on the world market and the push for far reaching tariff reductions where export interests of German industry exist.

The “Action Plan 2015”, that had been developed as national follow-up to the Millennium Summit and the Monterrey Conference completely disappeared from political and public fora. This is regrettable because the AP 2015 contained considerable potential for a national development policy coherence agenda. It was meant to be a binding framework (agreed upon by cabinet), but without operational plan it did not really work, although some of it has been picked up by the implementation framework of the Paris Declaration and the Accra Agenda for Action.

On 12 May 2004, the Federal Government adopted the inter-ministerial Action Plan "Civilian Crisis Prevention, Conflict Resolution and Post-Conflict Peace-Building" as a coherent framework for e.g. foreign, security and development policies. The purpose of the Action Plan is to anchor crisis prevention as a cross-sectoral political task at both government and civil society levels. An Inter-ministerial Steering Group shall ensure continuity, transparency and consensus and monitor the individual actions of each participating ministry. The Federal Government appointed an Advisory Board from civil society organisations. The Action Plan which has been received very friendly in Europe and in the UN emphasises a change of paradigm in the understanding of “security” giving priority to non-military reactions in cases of crisis intervention. Already in the last period of legislature civil society organisations criticized less political will of parliament and government to fully implement the Action Plan.

The Advisory Board and supporting individuals and organisations launched a memorial demanding to improve German peace policies in parliament and government by creating new competences and instruments. In the coalition agreement of the new German government the Action Plan is no longer mentioned at all. Civil society organisations therefore are concerned about the referring future intentions of the new Federal Government.

The above mentioned lack of transparency (rules) is an impediment on the way to more and better policy coherence both on the national and international level.

The increasing fragmentation of ODA-relevant expenditure among different ministries not only makes it difficult to monitor ODA quantity and quality. The Paris 2005 and Accra 2008 Agendas are only binding for BMZ. Inter-ministerial coordination should be enhanced. Specific expertise in development policy and cooperation is lacking in other ministries than BMZ.

Policy Coherence can also work against development and poverty reduction depending on the overall objectives. There is serious concern among NGOs that economic interests of the private sector may gain support from the present government in the sense that development cooperation lose independence and be used as an instrument subject to these interests. Similar concerns exist regarding security interests.

Policy coherence has to be improved. We suggest

- a) coherence report of the government annually or every two years in analogy to EC-practice,
- b) better coordination among ministries on policy level by Head of State,
- c) coordination of ODA programs of various ministries (15) by BMZ.

4. Aid Effectiveness

NGOs in Germany monitor the performance of their government in implementing the goals and targets of the Paris Declaration and the AAA. From the beginning the development ministry showed interest and openness to enter into dialogue with Civil Society on these issues. This dialogue goes beyond a pure assessment of indicators but touches also concomitant policy questions like budget support or “good governance”.

Germany was the first donor to present an operational plan which was intensely discussed with CS and recommendations were taken on board; where this wasn't the case, explanations were given. This was a type of ‘model – cooperation’, due to dedicated staff in the BMZ (J. Kadel e.g.)

Although there has been strong consultation by the BMZ and good contact on working level, with the much regretted replacement of the Head of Department in charge (I. Hoven), everything is put on a hold right now and agreed - follow-ups, e.g. commenting of terms for a study for a stronger involvement of parliaments and CS regarding GBS via VENRO, or the financing of International CS processes are now pending.

Furthermore, there is the fear of a lack of policy coherence as the Paris Declaration and the Accra action agenda are only binding for the BMZ.

Besides this the Paris Declaration and the AAA instigated reflection and debate about the relationship between State and Civil Society in international development cooperation. In this context NGOs find themselves confronted with questions and expectations regarding alignment, harmonisation and efficiency/effectivity of their own work. This debate is still going on. However it does not question the basic assumption of both government and NGOs

that Civil Society has an irreplaceable and independent role to play. Still, in the future there could be more pressure on NGOs to function within the development policies and strategies of the state as well as to prove the relevance and impact of their work. Programme based support models and in country division of labour may further reduce CSO's opportunities to mobilize funding for their own programs and projects, despite opposite AAA policies. Lack of transparency and information is what Southern partners complain about with regards to budget support. Also but not only in this context the impact of donor division of labour for certain social sectors and NGOs (+ their partners) working in these sectors is not yet clear.

Civil Society is also concerned about shrinking operational, policy, legal and financial space for CSO involvement in the South (Egypt, Zambia, Lesotho, Georgia, Armenia, etc).

5. Comments on the Memorandum for the DAC Peer Review of Germany 2010

Chapter 1: Strategic orientations of German development policy

The insight that the future of industrialized countries depends on tackling the global threats and challenges appears to represent the main rationale for development cooperation. This is a rather limited concept which ignores important leading motives such as human solidarity and taking responsibility for the detrimental consequences of historical as well as current exploitation of disadvantaged regions. In practice, this perspective may imply that efforts to overcome human suffering and deprivation will solely receive attention, if they appear to affect the national self-interest.

Another special concern of the present government is obviously the visibility of German development cooperation in relation to other bilateral and multilateral institutions. This ambition may distract attention from more important aims such as relevance for human development, conceptual quality and effectiveness of development contributions. Furthermore, it may hamper the participation in collective efforts, where individual contributions are less prominent, such as international coordination and support for UN organizations and global financing mechanisms, which are urgently needed in order to mount comprehensive endeavours and achieve far-reaching goals.

The decision to channel two thirds of ODA through bilateral aid mechanisms and deliver only one third through multilateral and EU institutions is not grounded in rational arguments. In fact, the Memorandum does not allege any reasons at all. Obviously the concern for national control and visibility, motives which are closely related to economic and political self-interest, take preference over considerations of aid effectiveness and international coordination. In the area of health promotion and care as well as health system strengthening this artificial rule will hamper the mobilization of resources for relevant UN organizations and the Global Fund to Fight AIDS, Tuberculosis and Malaria with detrimental consequences for strategic guidance, planning, coordination and funding needed for efforts to save and improve the lives of disadvantaged people.

It is stated that "over the course of the coming year, the German government intends to unveil and adopt a clearly recognizable change of course in German development policy". However, a clear statement regarding the essential reasons and contents of that change is missing. Talking about a different direction, it seems that 'poverty reduction' is not been treated as overarching principle and high priority objective anymore, it is rather mingled with security

policy and conflict prevention. This stands in contradiction to the 'European Consensus on Development' where it is clearly stated that the fight against poverty is the highest priority of European development policy. To drift in a different direction has strong implications for policy coherence on a European level.

Chapter 2: Policy coherence for development

In order to foster development, German development cooperation wants to put more emphasis on "accentuating economic cooperation" (see chapter 4 of the BMZs Memorandum for the Peer Review). Whilst this is necessary, German NGOs are concerned about what this exactly means, taking into account the following passage from the coalition agreement of the new German government: "Foreign trade and development co-operation must build upon each other and be integrated in a seamless fashion. Development policy decisions must take sufficient account of the interests of the German economy, particularly the needs of small and medium-sized companies. Foreign trade chambers should be informed in good time about development organisations' commissions when contracts are awarded." (coalition agreement, page 76-77).

The intention to accentuate economic cooperation fails to acknowledge that poor and disadvantaged people will not be able to benefit from economic growth without improving their social conditions and capabilities, mainly with respect to health and education, as well as their access to productive resources and their possibilities of democratic participation.

Therefore, the German government should clearly state that the overarching aim of development cooperation is poverty reduction.

Chapter 3 – ODA volumes, channels and allocation

The memorandum points out that "Germany stands by its commitment to achieve the ODA target agreed in 2005 in the EU of increasing its ODA/GNI share to 0.7 per cent by 2015". It is a good sign that the new German government sticks to its commitment of reaching an ODA ratio of 0.7% / GNI in 2015. However, the failure to achieve the commitment to reach a minimum ODA of 0.51 % in 2010 remains unmentioned.

Starting from a low level there were substantial increases of the BMZ budget, but these were only half as much as needed and the planned increment of the current year will represent only a fraction of that. Rather than giving a justification, the document prefers to refer to the fact that 0.38 of GNI was given as ODA against the ODA average of 0.31, trying to create the impression that Germany is well-positioned, whereas at 0.38 % Germany ranks only 14th among the 22 DAC member countries if looking at its official ODA volume in relation to economic capacity measured by GNI ('Reality of AID'-Report/Welthungerhilfe/tdh, 2009), though 2nd in absolute figures. This is all the more difficult to understand, if countries like Spain, much worse hit by the economic and financial crisis are able to stick to the 0.51% target and a country like Belgium announcing recently that it will meet the 0.7% already in 2010.

The 0.7% target was questioned for the first time when Minister Niebel announced "that it would be a very sporty task to reach it" (Hamburger Abendblatt, 6 March 2010). In order to achieve this target, the German official development assistance must increase by about 1.7 billion Euros in 2010 (as against the now foreseen 256 million Euros for the BMZ budget in 2010). In the coming years, similar increases are necessary. There are absolutely no

provisions made for this in budget planning. This lack of sincerity will lead to a further damage of the credibility of donor promises.

Likewise, the increases of the German contribution for health promotion, one of the most critical spheres of activity to reduce human suffering and poverty, were largely insufficient to meet MDGs and other internationally agreed goals such as universal access to HIV prevention, treatment, care and support by 2010. Especially regarding Sub-Saharan Africa, the document fails to recognize that overcoming the devastating burden of disease by confronting the fatal epidemics and strengthening health systems represents a precondition for achieving progress in all other fields of development. Rather, health care and prevention is mentioned in an incidental manner only.

The distribution of bilateral ODA by sector shows once again the low priority attributed to health promotion. It is alarming that the document does not even recognize the necessity to increase ODA resources for this sector. According to the needs assessment of the Millennium Project based on detailed country studies health represents one of the largest item costs for investments required to achieve the MDGs. Depending on specific country conditions, first of all HIV prevalence, the share of the defined set of key interventions for health promotion and care ranges between 20 to 30%, approximately.

The German government / the development minister now have to come up with a concrete plan on how to achieve the 0.7% target. Our fear is that without having a national timetable with concrete measures to be taken in order to increase aid, Germany will not fulfil its commitment.

Currently, there is not enough steer / are no substantial initiatives from the development ministry to push this process proactively. In its memorandum for the DAC peer review, the government mentions emission trading and debt swaps (page 28). Regrettably, the development minister is not taking proactively part in the current discussion on how the financial sector could financially contribute to help poor countries to cope with the crisis. For example, the Minister is not in favour of an international Financial Transaction Tax, that could raise substantial amounts of money for development and the fight against climate change.

Whilst the new government is putting a lot of emphasis on the need to make aid more effective and states that this is a priority, it must not forget that for aid to be effective, sufficient funds are required, too. It is not an 'either or' debate!

Furthermore, Germany ranks among the donors which make extensive use of all allowed means to sugar-coat ODA statistics by including items which do not represent real resource transfers to developing countries. Deducting debt forgiveness, imputed student costs, spending on refugees in Germany and administrative costs the ODA ratio merely amounted to 0.28% in 2008. It would be interesting to know whether counting of German student costs is always in line with the DAC principles. According to civil society knowledge, these costs can be counted when they are already included into the draft budget of the German Bundesländer (Federal states). However, it is not clear if this always the case.

Chapter 5: Aid effectiveness

The memorandum mentions the significant progress Germany has made in implementing the aid effectiveness agenda. However, in accordance to the DATA report Germany's performance in aid effectiveness has worsened in comparison to other G 7 donors¹. Germany was tied with Canada in 2007 for second place among the G7 on ONE's measures of ODA effectiveness. For 2008, Germany's overall ranking has worsened to fourth in the G7. It now performs in the middle of all G7 countries on all measures of effectiveness (and on rank 14 amongst the OECD donors, see above, Reality of AID-report).

While Germany performed well on predictability in 2007, its rank has fallen in 2008 in terms of aid scheduled for disbursement and actually disbursed within the same year. On the transparency and reporting measure related to the percentage of total ODA shown on budget, there has been no change in Germany's performance, and it still ranks fifth among G7 countries. This persistently low ranking suggests that Germany should further strengthen its efforts to make its assistance to non-governmental organizations more transparent to recipient countries. There have been notable improvements in the transparency of aid from Germany as well as its use of country procurement systems which has increased substantially. This is likely a result of moderate improvements across a number of countries which receive aid from Germany, rather than marked improvements in a few key recipients. Germany still falls in the middle of G7 countries on its levels of tied bilateral aid and the percentage of its ODA subject to local competitive procurement, which shows that there is potential for improvement.

The BMZ wants to increase the effectiveness of aid, which is highly appreciated. In doing so, the government has a rather sceptical view on multilateral institutions, which are seen as more ineffective. From the coalition agreement of the new German government: "We want to achieve a distribution of bilateral and of European and multilateral German contributions in a ratio of 2/3 to 1/3 in order to expand the scope of Germany's development policy and increase the impact of the budgetary resources deployed." (coalition agreement, page 184) However, a clear argument why bilateral cooperation is more effective is missing. Therefore, the government should explain why it is more efficient to use bilateral channels rather than multilateral mechanisms.

The Memorandum for the Peer Review states that Germany does not come up to the international average regarding use of country public financial management and programme based approaches (Memorandum, page 56). The memorandum does not mention how German development cooperation wants to live up to the benchmarks in these two areas, taking into account that it obviously takes time to implement PBAs (page 64), that the possibilities to increase the use of country systems is seen as limited (page 67) and that the new government has a rather sceptical view on budget support (page 65).

On the one hand, the government should take into account positive effects of budget support, too. On the other hand, the BMZ should explain how they want to live up to this essential part of the Accra Agenda, which is necessary to make aid indeed more effective.

¹ DATA Report 2009 – <http://www.one.org/international/datareport2009/>

Chapter 6.: Special topics

It is not clear why capacity development and environment and climate change are taken up, whereas other important issues like health, rural development and food security are not. With the food crisis that surfaced in 2008 and is ongoing especially the issue of rural development and food security deserves to be dealt with in a single chapter.

Chapter 6.1: Capacity development

The remarks regarding capacity development do not even mention any actions in the field of health promotion. In view of the critical significance of this kind of cooperation, especially for developing human resources and organizational capabilities for health systems as well as conceptual approaches for prevention efforts, this omission is an alarming sign of neglect.

Bonn, 23 March 2010