

# STATEMENT

## DAC Peer Review of Germany 2015

March 2015

In February 2015 VENRO and its members were invited to share their views on German Development Cooperation and Humanitarian Aid. In the following VENRO summarises the central aspects of its views.

### **PART I OBSERVATIONS ON GERMAN DEVELOPMENT CO-OPERATION**

#### **1. Co-operation between the German Government and Civil Society**

##### 1.1 A strategy for co-operation between government and civil society

In November 2014 the BMZ published its Strategy on government-civil society cooperation on post-2015 development policy. VENRO appreciated the participatory process of drafting the strategy with meaningful consultations and workshops, beginning in 2011. In terms of content, VENRO welcomes the reference to the principle of subsidiarity and to the right of initiative as the key principles. However, it should be noted that the strategy also reflects an instrumental understanding of civil society. For example, Goal 1 (Domestic and Educational Activities) assigns NGOs the role of mediating an understanding of development education defined by the BMZ. Their activities are to “complement” the BMZ programmes. We are missing the role of NGOs as central actors of self-organised engagement here, following the above mentioned key principles.

In addition to the three goals, in the strategy the BMZ describes five development challenges that it seeks to address together with civil society in an open dialogue on an equal footing. A dialogue on an equal footing presupposes that agreement can be reached on the contents of the dialogue. However, the dialogue topics submitted with the strategy were selected unilaterally by the BMZ. The strategy clearly describes the value added by co-operation, and in our opinion, it is therefore on the right track. In order for the added value to actually materialise, civil society actors need scope for action and support. We expect the implementation of the strategy with an implementation plan that would be jointly developed by the NGOs and the BMZ.

##### 1.2 A Charter for the Future

The BMZ wants to extend and deepen its cooperation with civil society, especially with regard to issues of global concern like the post-2015 debate. In 2014, federal development

minister Müller initiated a process to develop a Charter for the Future with broad participation by civil society. VENRO and VENRO members engaged in the process. Many of the proposals were integrated into the Charter for the Future. With respect to issues like economic growth and arms exports, civil society positions were not considered sufficiently. VENRO appreciated the participatory approach of the BMZ and the partner-oriented dialogue, which had been entirely absent in the drafting the document “Minds of Change” developed by former minister Niebel. With respect to the future SDGs it is now crucial to develop an implementation plan, which needs to be agreed by the different government departments.

### 1.3 The Creation of Engagement Global

With Engagement Global gGmbH, the BMZ has created an institution that is intended to act as a “service centre” strengthening civil and community-level engagement. Existing programmes and secretariats, such as the administration of funding for NGOs, bengo, the “weltwärts” secretariat and the Service Agency Municipalities in One World (SKEW), have been brought together and restructured in Engagement Global. In principle, VENRO had supported this concentration of various services and consulting activities under one roof. At the same time, VENRO had proposed that responsibility for this non-profit limited company be transferred to existing civil society organisations. However, the BMZ decided to assume responsibility itself and to create a new organisation affiliated to the government. In this context, the consulting centre bengo, previously run by civil society, was transferred to the government structure together with its areas of activity.

VENRO criticises that activities of Engagement Global defined in the strategy paper, compete with services offered by civil society. For example, the “Information Desk on Civic Engagement” (“Mitmachzentrale”) that has been set up incorporates a consulting and information programme that directly addresses citizens. In order to impact on society at large Engagement Global presents itself at major events and attains strong public awareness through massive advertising and the use of new media and networks. In practice, in external communication, Engagement Global sometimes presents projects of programmes that it administers of behalf of BMZ as activities of its own, while in fact they are developed and implemented by civil society organisations. Hence civil society organisations appear as mere implementing agencies of Engagement Global. Instead of more programmes and activities implemented by government and its agency Engagement Global, we would seek a service centre that adequately responds to the ideas and initiatives of civil society and municipalities and promotes and supports them. It

should give priority to de-centrally organised initiatives and should effectively support their self-responsible engagement. This would strengthen the principles of subsidiarity and initiative and increase efficiency as well as effectiveness.

## 1.4 Funding modalities for CSOs

The BMZ makes financial support available to civil society with and without expecting co-financing from them, mostly in line with the principle of right of initiative. VENRO also positively notes funding increases to civil society over the years. However, over the past years, the BMZ increased funding by creating thematic and regional funding programmes such as Afghanistan, fragile states and health of mothers and children, thereby restricting the right of initiative of civil society. Another recent example for the limitation of the right of initiative is the allocation of funds to NGOs as part of the “Special Initiatives”. NGOs are asked to contribute with their projects to BMZ policy goals. The Ministry does this by imposing six standard indicators, which need to be applied by all actors. This gets organization into conflict with their well developed and effective participatory project planning processes, which base project objectives and design on local situational analysis. Also, the allocation of funding lacked transparency in some funding programs as regional priority areas were defined without communicating them beforehand.

VENRO and BMZ share an interest in capacity development of partners in developing countries at the local and national levels. However, at present, funding regulations and modalities are not properly adapted to serving this shared interest: NGOs struggle with Engagement Global/bengo and BMZ on a case-by-case basis to have related activities funded. Capacity development includes capacity-building activities and organisational development of local civil society partners (training, support), the costs of which are often not eligible for funding. A process to adapt funding regulations was initiated years ago but could not yet be finalised. We also see the need that regulations will be made suitable for supporting international and trans-regional CSO networking and CSO representation in global debates and conferences. This is crucial for the participation of German civil society organizations and their partners in regional and global processes.

## 2. The Performance of the German Development Policy

### 2.1 Fulfillment of German ODA commitments

Germany is the third-largest OECD DAC donor and allocates 0.38 per cent (US\$14.2 billion in 2013) of its gross national income (GNI) to development cooperation. This clearly

falls short of its commitments to raise the ODA budget to 0.7 per cent according to the EU timetable for ODA growth. The passing of the budget for the year 2015 clearly indicates that the German government will miss the target of allocating 0.7 per cent of the GNI to development cooperation by 2015. Despite its ongoing rhetorical commitment, the German government has abandoned the 0.7 per cent target. In the current coalition agreement of 2013, the government underlined development cooperation as a political priority and announced the allocation of € 2 billion in addition to existing development cooperation in this legislative period (2014-2017). NGOs calculated that this means a net increase of around €1.5 billion, as the German government calculates this increase against the budget plans of the previous government, which planned to decrease the development budget by €500 million by 2016. The BMZ under minister Niebel was one of the main driving forces behind the revision of the ODA definition, arguing that it is important to take into account the financial assistance of private actors in a new ODA definition as the current definition does not allow “to communicate the full extent of Germany’s contributions to financing for development to an international audience. Finally, the debate at the OECD/DAC focused only on a new definition of concessionality. Here again Germany was the only one of the DAC donors to negotiate an exception for the recognition of German loans to LMICs and MICs which now can be counted as ODA even if they don’t fulfill the necessary criteria.

## 2.2 Evaluation of development cooperation

VENRO welcomed the establishment of the German Institute for Evaluation of Development Cooperation (DEval) in 2012. The institute is evaluating different BMZ funded programs, commissioned by BMZ. To meet the expectations of being an independent evaluation institute, the DEval must be able to act independently from the ministry whose programs and whose success and failure it is going to evaluate. Therefore, we believe its proper place would be on the side of the legislature, and not dependent on one ministry.

So far, the institute has published very few research results, so there is little basis for measuring its impact. The DEval was meant to stand on three main pillars: evaluation capacity building, research in methods and the realisation of evaluations. In our perception there could be far more progress on establishing programmes for capacity building. We as VENRO see the need to develop an NGO capacity building program together with DEval in the field of evaluation bringing together the practical experiences of NGOs who commission evaluations regularly with the high methodic expertise of DEval.

# STATEMENT

VENRO sees the main role of DEval in cross-sectional analysis of evaluations and general strategy evaluation regarding questions such as: How to deal with the situation in fragile states? What is the role of development cooperation in emerging countries like India? As DEval's role is also to evaluate the development corporation instruments of the German Government VENRO is advocating for an evaluation of Engagement Global.

In recent years, discussions about the use of [standard indicators](#) emerged. VENRO's perception is that governmental actors see such indicators as a favorable instrument to facilitate the process of accountability of aid programmes simplifying the communication about results of programs with simple messages. We do not think they should become binding criteria for deciding which programmes get co-financing. We see a danger of overestimating them as a one-size-fits-all instrument. In the newly published VENRO position paper "The use of standard indicators in development cooperation, dated January 2015, VENRO advocates the development of indicators that are drafted in cooperation with the (local) partners. Indicators which are firmly based on a participative process and are developed in coherence with the concrete situation in the field are an important cornerstone for successful development cooperation and have to be protected. Indicators should foster continuous reflection as well as learning; moreover, they should enable the effective steering of projects and enhance ownership of the local actors.

## 2.3 Policy Coherence for Development

One of the outstanding issues of the DAC mid-term review report of 2012 was progress on policy coherence for development (PCD) in Germany. This is a key demand of VENRO, which was raised in several papers and meetings. One important step to measure and improve PCD would be an annual report by the German government to the parliament. This is still missing.

There is a lack of political will within the German government to establish joint political approaches of the different departments to design development policies.. The guidelines on German policy towards Africa published in May 2014 by the German government, which lack a coherent approach, are an example for this. The process of drafting the guidelines was led by the Foreign Office. Different ministries, including the BMZ, published their own guidelines shortly before. Policy coherence is about recognizing that policies other than development could have negative effects on development and finding approaches to solve these conflicts. The Africa guidelines ignore development impacts of conflicting areas like trade or migration. PCD is not really taken into account. The guidelines are more about consistency between different policies and the interests of the German government in Africa than about PCD. VENRO welcomed the initiative announced

# STATEMENT

in the guidelines to establish Country Dialogues with all government departments and with civil society participation. This is a step to co-ordinate policies at least at country level. However, this still has to become reality.

With a view to its implementation, the abovementioned Charter for the Future offers good opportunities for the German government to make progress on PCD. Many of the eight fields of action are not under the responsibility of the BMZ.

## 2.4 Development education

The Basic Law of the Federal Republic of Germany governs the responsibilities of the 16 German States with regard to their cultural sovereignty, which also includes the education sector. Thus the States are responsible for the area of sustainable development education, Global Learning, and they decide whether and how these topics are referred to in the education sector, e.g. in schools and universities. The 16 German States work together in the Conference of Ministers of Cultural Affairs (KMK) to reach agreement and co-ordinate their activities in the education sector. In the context of the KMK the States have agreed on the development of an Orientation Framework for the Subject Area of Global Development” for all school subjects. It is to be adopted by the KMK in June 2015. The BMZ is providing financial support for this project.

Owing to the responsibility of the States for education, the 16 German States concentrate on supporting and promoting development information and education activities in the context of their development priorities and, to this end, also support the activities of the CSOs financially. In addition, by providing places of study for students from developing countries, the 16 German States make a significant contribution to the Federal Republic of Germany’s ODA rate. However, VENRO criticises ODA eligibility in this context. For the future DAC Mission in Germany, it is recommended that development efforts and the structure of the 16 German States be taken into consideration.

## PART II OBSERVATIONS ON HUMANITARIAN AID

### 1. Co-operation with the German Government

#### 1.1 German system of partnership

German Humanitarian Assistance is based on the “Strategy of the Foreign Office for humanitarian assistance abroad, which was adopted following a wide and comprehensive consultation with all relevant stakeholders of the German humanitarian community (humanitarian NGOs, other ministries like BMZ, academic institutions, evaluators). VENRO appreciates the German system of partnership of key humanitarian actors. The cooperation with the Foreign Office through regular common meetings of the Coordination Committee (“Koordinierungsausschuss”) is intense and allows mutual strategic approaches and decision making and responsibility sharing. There has been an active involvement in developing the overall German humanitarian assistance strategy as well as thematic strategies, e.g. food security, Water/Sanitary/Hygiene (WASH), forgotten crises. Preparedness and resilience are a strategic priority. A sector strategy for preparedness has been planned for two years, but drafting has not yet begun. Generally transparency and communication are good. The Foreign Office hosts national and international conferences and acts a moderator. It fosters UN German NGO partnership (e.g. issues of pooled funds) and supports efficient access of NGOs to the UN system and coordination in emergencies on the country level.

#### 1.2 Funding of CSOs

Funding of Humanitarian Assistance and transitional development assistance by the German government is provided to NGOs through the Foreign Office and the BMZ. Cooperation mechanisms between NGOs with and within the two ministries are different. VENRO members have had close links with both ministries for many years.

Decision-making processes and criteria for humanitarian funding are relatively transparent and match the priorities set out in country strategies. However, due to limited resources and changing budgets, tough decisions need to be taken by the Foreign Office. Funding remains much less than the rising humanitarian needs would suggest. And funding remains inferior to the potentials of German humanitarian NGOs.

There was a considerable budget increase from 2013 to 2014. The budget in 2014 (including short-term funds outside the regular budget) amounted to 435 million Euros and was secured at the level of 400 million Euros in 2015. The so-called “paradigm shift” towards preparedness and resilience is not yet reflected in funding decisions.

# STATEMENT

The Foreign Office closely monitors emerging crisis developments using its own channels and international organisations as well as through consultations with experienced NGO partners. This has allowed for swift NGO action with strong and flexible support, e.g. Typhoon Hagupit in the Philippines, Syria and Ukraine.

The Foreign Office' rapid response is usually fast and efficient. But the funding of the Foreign Office and the BMZ is not sufficiently well aligned because of different planning procedures and cycles. Very often follow-up assistance in transitional development assistance cannot be provided due to insufficient communication between the two ministries, lack of BMZ funding or lack of coordinated funding and different country priorities. The topic of Emergency Preparedness is divided between the Foreign Office and the BMZ, which makes it difficult for NGOs to plan integrated programmes. The Foreign Office also addresses protracted crises. This allows NGOs to plan ahead for a year or sometimes more. Aspects of early recovery are part of this strategy and can be funded by the Foreign Office.

The BMZ has undergone a major restructuring during the past year and has had major personnel shifts in lead positions. Linking Relief, Rehabilitation and Development (LRRD) is very restricted due to limited funds and limited country eligibility. Also, there is high competition between NGOs. The application cycle for the BMZ is very long and less transparent compared to the Foreign Office.

## 1.3 Quality profiles of humanitarian NGOs

A joint evaluation of German Humanitarian Assistance was commissioned by the Foreign Office and the BMZ in 2011. Recommendations were discussed and strategies adjusted. Both ministries call for occasional external evaluations of funded projects. Currently the Foreign Office is establishing detailed quality profiles of humanitarian NGOs eligible for funding. The Foreign Office has announced more flexibility and less administrative burden in compensation for better quality standards. The Foreign Office plans to further support quality initiatives of NGOs at the national or international level. Capacity building for local actors and international NGOs should be included in the funding policy. There is a quadrennial report on humanitarian assistance that is discussed in a public hearing of the parliamentary committees on Human Rights and Humanitarian Assistance.

## 2. The Performance of the German Humanitarian Aid

### 2.1 Humanitarian principles and civil-military coordination

The "Strategy of the Foreign Office for humanitarian assistance abroad" and other national policy documents show a strong commitment towards humanitarian principles and



# STATEMENT

forgotten crises as part of the principle of impartiality. As a donor the German government has shown leadership to promote a principled approach. Still, implementation remains difficult when humanitarian assistance is referred to as an instrument of German foreign policy e.g. in recent cases of Mali and northern Iraq. In Iraq the humanitarian logistic support is mentioned along with support and provision of military equipment to Kurdish Peshmerga.

Joint Recommendations on civil-military interaction have been developed by VENRO and the German Defense Ministry with support by the BMZ and the Foreign Office. In line with these recommendations VENRO supports a clear separation in the field as well as in terms of funding between military and humanitarians, while maintaining a constructive dialogue of different stakeholders based on clearly separated roles and mandates. These clarifications are however not reflected at the political level in ministries and parliamentary debates.

The German government is actively engaged in coordination and dialogue with other donors. Particularly in the past two years the German approach has become much more strategic and visible, actively supporting the role of the UN in the international humanitarian system and fostering coordination and synergies between its different pillars. With the Foreign Office and the BMZ, two government ministries are involved in programmes in protracted crises and transition situations. Both have respective strategies which refer to each other, and they consult with each other. The strategies are well-coordinated on paper. The wish for political leadership and the quest for public visibility in practice lead to concentration on few actual crises and in some cases to uncoordinated short term measures and duplication.

## IMPRESSUM

### **Publisher**

Association of German Development and  
Humanitarian Aid NGOs (VENRO)

Stresemannstr. 72

10963 Berlin

Tel: +49 30 2639299-23

Fax: +49 30 2639299-99

[www.venro.org](http://www.venro.org)

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### **Editors:**

Dr. Bernd Bornhorst, Anke Kurat, Sid  
Peruvemba