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A seal of approval for German  
development cooperation?  
The OECD's new peer review of Germany

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The Current Column

*of 4 November 2015*

# A seal of approval for German development cooperation?

## The OECD's new peer review of Germany

Bonn, 4 November 2015. There is an instrument within international development cooperation (DC) that can be used to perform regular quality checks on OECD donors, namely peer pressure. Every four or five years, the OECD's Development Assistance Committee (DAC) organises a peer review in which a team of experts closely examines the policies of the member in question. The new peer review of Germany will be unveiled on 4 November in Berlin. The DAC Chair Erik Solheim will present it to the German Bundestag Committee on Economic Cooperation and Development. The team responsible for conducting the peer review consisted of officials from DAC members Japan and Canada, as well as OECD experts.

The new review does what it is expected to do and presents a constructive yet also critical view on German official development cooperation. Among the main weaknesses identified in the last review, published in 2010, were the complex institutional landscape of German DC compounded by a ministry that did not adequately play its steering role (German Federal Ministry for Economic Cooperation and Development (BMZ)). The review also found that, for a country currently ranking as the third largest OECD donor, Germany was insufficiently strategic in its policy, for example, when it came to its support to the multilateral DC system, e.g. the United Nations, the World Bank and regional development banks.

The new 2015 review identifies a number of improvements that have been made in response to these and other challenges observed in the 2010 review. It states that BMZ has now assumed its steering role in German development cooperation, and that deploying a greater number of development experts within German embassies has helped ensure that Germany's work in its partner countries is influenced less heavily by the implementing organisations. At the same time, it wishes to see further steps taken to decentralise German DC. The review also notes that BMZ has become more strategic in its dealings with the multilateral system. All in all, the team of reviewers consider all of the recommendations from the 2010 review to have been implemented, seven in full and 11 in part. This gives for a positive overall assessment, with the main report's detailed findings providing a rich description of the main changes and reforms implemented during the review period.

So, what new perspectives are offered by the review? And what points of criticism remain or have now emerged? The review begins by praising BMZ for adopting the Charter for the Future in 2014 and identifies the upcoming revision of Germany's National Sustainability Strategy as an opportunity to achieve more coherent approaches across all policy areas. It sees room for improvement when it comes to achieving

clarity with regard to the overall policy priorities pursued by German DC. Which goals of the Charter for the Future and BMZ's special initiatives, the latter running since early 2014, are especially important in this regard? The review is also critical of the fact that a number of policy priorities have not been adequately translated into practice. For instance, the proportion of the world's poorest and poor countries involved in Germany's bilateral DC is decreasing, despite the fact that this group of countries and the African continent as a whole is stated as the main focus of the BMZ. The review also points out that German DC is insufficiently transparent and that the relative lack of predictability of Germany's aid budget poses a challenge to the longer-term planning by its partner countries. It further notes that efforts to concentrate on what now amount to 50 partner countries (and 29 other nations) with a comprehensive DC programme have only made a very limited contribution to achieving the desired focus within German DC. Finally, the review calls for Germany to expand its humanitarian aid work, an area overseen by the Federal Foreign Office.

The peer review of Germany should make a threefold contribution to intensifying and deepening the debate in Germany. First of all, it is important to keep working to make German DC more effective, for which the review lays an excellent foundation. German DC can be made more effective by continuing to cut the volume of tied aid and by overcoming the separate budget lines for technical and financial cooperation, as well as by further increasing the transparency of the German DC.

Secondly, the international crises of the last few years and months and the current refugee situation in Europe elucidate the importance of working from a plan and using properly functioning to respond to challenges as and when they arise. To do so, it is necessary to use the full range of instruments from the areas of humanitarian aid, refugee and transitional aid, and longer-term DC. To this end, the peer review provides a good starting point for debates in the German Bundestag, within the German Government and in the public square.

Thirdly, there should be more discussion in Germany of the strategic orientation of DC and that of other international cooperation approaches. How can German DC play an even more targeted role in promoting the long-term goals of sustainable development? What contribution can be made by other policy areas in this regard? How can development cooperation and other policy areas contribute to a situation where emerging economies contribute more effectively towards the international response to global challenges? In view of the rapid global changes such a strategic view to development cooperation is crucial.