



EVALUATION OF THE COOPERATION MODEL OF REFORM PARTNERSHIPS

Partnership based on support and demands

Executive Summary

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EXECUTIVE SUMMARY

The object of this evaluation is the cooperation model of reform partnerships (RPs) which was established in 2017 by the German Federal Ministry for Economic Cooperation and Development (BMZ). The main focus of the evaluation is on the extent to which RPs are an appropriate and up-to-date cooperation format for overcoming barriers to development in selected African countries.

The evaluation finds that RPs, which combine supportive and demanding elements and place a focus on ownership and partnership, can be described in principle as an up-to-date and, in some respects, appropriate form of cooperation with selected African countries. However, it is also evident that the cooperation model should be adapted conceptually to reflect the experience gained in the first few years in order to make it sustainable for the future. In particular, such conceptual adaptation should take greater account of possible changes in the political framework conditions for cooperation.

Background

The BMZ wishes to use RPs mainly to promote relationships of partnership on an equal footing, in which the understanding of partnership is guided by the principle of “providing support and making demands” (*“fördern und fordern”*; Doc. 1, 4). On the one hand, this entails taking special care to support partner-country ownership and offering a package of development cooperation instruments that is particularly attractive from the partner’s perspective. On the other hand, partner countries are required to assume a high degree of ownership and the principle of conditionality is applied. The Financial Cooperation (FC) approach known as reform financing is highly significant in this context. Reform financing is a new BMZ instrument that is intended exclusively for the benefit of reform-minded partner countries and is designed to honour the principle of “providing support and making demands” by applying conditionality in conjunction with high-volume financial support. Another defining principle of the cooperation model is intended to be a deeper level of (political) dialogue.

RPs are embedded in the Marshall Plan with Africa, the purpose of which is to underpin a new partnership between Germany and African states – with an outlook towards a prosperous and peaceful Africa. Beyond this, RPs are considered to be Germany’s bilateral contribution to the Compact with Africa (CwA), an initiative of the G20 countries to promote private investment in Africa in the aim of achieving higher and more inclusive growth in African states. Hence, RPs are designed as a new form of cooperation appreciating joint efforts to bring about necessary reforms in selected sectors. Accordingly, countries can only become reform partners when they distinguish themselves as particularly reform-minded. The new cooperation format is being practised with seven African countries: with Côte d’Ivoire, Ghana and Tunisia since 2017; with Morocco, Senegal and Ethiopia since 2019; and with Togo, which was selected as an additional reform partner country in May 2021.

Although the cooperation model was only established in the recent past, the characteristics and objectives of the RPs build on development policy debates and experiences from the past two decades. Both the outstanding importance of partner ownership and high-level dialogue and the conception of RPs as a results-based development cooperation approach are directly linked to the vigorous debate pursued by academics and practitioners since the beginning of the 2000s on the effectiveness of development cooperation. The same holds true for the concentration of development cooperation on selected partners and the greater involvement of private sector actors in government-funded support programmes. Additionally, the instrument of reform financing shows parallels to general budget support, which was used by many development partners as a preferred instrument in the 2010s in order to implement principles of effective development cooperation. However, it was then largely discontinued in the context of a series of major corruption cases. One fundamental difference from the budget support of earlier years needs to be highlighted: while general budget support was usually multilateral in design, reform financing is now realised under the RP cooperation model and is therefore bilateral.

To summarise, RPs build on development cooperation instruments and/or modalities that have been tried and tested in the course of implementing the Paris/Accra Agenda. They represent an attempt to put the

lessons and principles of the aid effectiveness debate into practice in cooperation with selected partners. At the same time, however, stronger elements of conditionality are included in order to satisfy the heightened expectations of budgetary accountability voiced in the German discourse on budget support.

Evaluation approach

The evaluation presents an interim report on the overall question of to what extent RPs are an up-to-date and appropriate cooperation format. The procedure adopted was to carry out an assessment of the conceptual foundations of RPs (including subsequent refinements) and to take stock of the first implementation approaches. Since RPs are a very recent form of cooperation and the evaluation mainly serves the purpose of informing ongoing conceptual development, its scope is limited: the comparatively short durations of the individual RPs meant that it was too soon to assess results at outcome and impact level during the time frame in which the evaluation was conducted. An assessment is therefore made primarily on the basis of relevant literature and three case studies, with a focus on the evaluation criteria of relevance, coherence and effectiveness as defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

The assessment of effectiveness takes account of the short durations (as yet) and far-reaching objectives of the cooperations by focusing on an assessment of potential and a review of ownership and conditionality, since the latter have been identified as crucial impact mechanisms. Broader development impacts must be excluded from the analysis at this time.

This current weakness of the evidence base on impact made it impossible to carry out a comprehensive efficiency assessment because the costs of the cooperation format could not yet be set alongside any clear benefit. In instances where particular aspects of relevance for an efficiency assessment can already be identified, however, these are included in the overall assessment of the cooperation model and the conclusions.

The short duration of the RPs to date was likewise insufficient for a conclusive assessment of the cooperation model's sustainability. The same is essentially true in relation to the impact of the RPs; in this regard, however, an assessment of potential was made in order to obtain at least initial impressions of their overarching development impacts. This was based on assessments by German companies, among other evidence.

For its assessment of the cooperation model, the evaluation pursued a theory-based approach. First, the evaluation team worked with key programme managers involved in implementation of the RPs to reconstruct a theory of change, of which only a few conceptual outlines were already in place. The evaluation questions were then derived from this theory, also drawing on relevant literature on the theme of development partnerships. In the course of elaborating the theoretical foundations, gaps came to light in the description of the exact causal mechanisms of the cooperation model. The decision was therefore taken to design the evaluation process-analytically. In doing so, efforts were made to reconstruct the two mechanisms considered to be especially relevant to impact – namely, ownership and conditionality, – as exact as possible.

Furthermore, the conception phase of the evaluation revealed that the expected added value of the cooperation model lies in its overall approach and the interaction of its components. For example, aspects such as the pooling of funding and the high-level nature of the political dialogue are hypothesised to contribute to the relevance of the cooperation. In this context, particular importance attaches to FC in the form of reform financing, since the provision of high volumes of financial support and the application of conditionality under the RPs are to be implemented primarily by means of reform financing arrangements. Furthermore, harmonisation effects are to be advanced through interministerial coordination at the national level while offers of joint donor support are to be created at the international level.

The selected analytical focus was applied to three country case studies in which the constitutive elements of the cooperation model, outlined above, are present. Due to the heterogeneity with which the RPs in each reform partner country have been elaborated to date, it was necessary to select case study countries which had adopted different priorities and begun in different phases (2017 and 2019 respectively). The findings from the country case studies thus selected in Ethiopia, Ghana and Tunisia were linked back to the cooperation model by answering the evaluation questions derived from the generic theory of change and by analysing higher-level programme documents as well as relevant academic literature on the theme.

Moreover, to strengthen the external validity of the results, individual interviews were conducted with selected experts from the other reform partner countries (Côte d’Ivoire, Morocco and Senegal).

Findings

The RPs are elaborated very heterogeneously and are being implemented under varying framework conditions. Although reform partner countries should all meet the formal requirement of being “champions of reform”, it is apparent that differing levels of good governance and economic performance prevailed at the launch of each of the RPs. The reason for this goes back to a three-stage selection process specified by the BMZ:

- Firstly, a reform partner country must be participating in the Compact with Africa.
- Secondly, the country must meet not clearly defined minimum standards with regard to private sector orientation and increased own inputs (such as own revenues), and must respect human rights and ensure good governance (no cooperation with autocracies, for instance).
- Thirdly, it must fulfil a similarly less-than-precisely defined measure of political and economic significance for the German government (Doc. 1, 4).

From this it is evident that the BMZ does not set any clearly defined benchmarks for the latter two stages of the selection process. At the same time, the ministry retains the option of giving greater weight to more recent reform dynamics in partner countries (and thus undercutting the aforementioned minimum standards). This helps to explain the fact that despite its weaker governance indicators, Ethiopia was selected as a reform partner country in 2018 due to the reforms it had initiated. As a consequence of this procedure, a wide range of political framework conditions is found in the current reform partner countries, and in some cases the level of governance falls short of the high ambitions that are vested in the cooperation model as a whole.

Partly due to these varying country contexts, several of the areas of action identified as core elements of the cooperation model are more prominent in some reform partner countries than others, and sometimes not in place at all: thus, the RPs differ with regard to (1) the number of priority sectors and the particular sectors prioritised, (2) the volume (amount of funding set against economic performance and degree of indebtedness) and type of financial support (reform financing approved or not, FC grants versus FC loans and market-like loans), and (3) the degree of harmonisation with other development partners. A comparison of the reform financing awarded to Tunisia, Ethiopia and Ghana illustrates this: whereas Ethiopia received an initial commitment for 100 million euros of reform financing in the form of an FC grant topping up a larger tranche of World Bank financing, Tunisia was immediately promised 300 million euros in (first-time) reform financing – albeit in the form of a near market-based promotional loan from KfW Development Bank (KfW) (without FC budget funding). By contrast, reform financing in Ghana in the form of an FC loan from budget funds did not begin until 2021 and was considerably lower in financial volume (40 million euros).

On the whole, the main explanation for the heterogeneity of RPs is that there was never any intention to elaborate the cooperation model independently of country contexts in the first place, and that it is a continuously evolving model without unduly rigid specifications. Only recently has more attention been paid to the common elements – supported not least by the present evaluation.

In particular, one important common element is the economic reform trend in the reform partner countries, which the BMZ sees as evidenced in various economic reforms in the areas of competitiveness and liberalisation. Despite the very diverse characteristics of the RPs, based on the OECD-DAC criteria the evaluation has set forth overarching findings and conclusions for the further development of the cooperation model:

Relevance

The assessment of the relevance of the RPs differs considerably, depending on the assessment criterion. Since the sector priorities of RPs are largely linked to national strategies, priorities and needs of the partner countries, the evaluation’s findings on their development orientation are positive. On the other hand, the orientation of the cooperation model towards governance principles has to be rated more critically. With regard to appropriate country-specific consideration of the prevailing political governance situation both during the initial selection process and during the course of RPs, it is evident that the focus on sector-specific governance

issues is not sufficient to ensure that RPs – which are envisaged as long-term partnerships – have solid foundations in terms of rule of law, good governance and democracy. Even though the “Good Governance Initiative” has provided corrective steering since 2019 and there are recent signs of the issue being tackled more intensively within the political dialogue, the governance orientation of the approach has to be rated critically in that the cooperation model has not yet found an adequate way of dealing with a sometimes rapid decline in the quality of political governance. This became particularly apparent when the reform partner countries Ethiopia, Morocco and Tunisia were hit by political crises, which have proved fundamentally challenging to the realisation of a cooperation model that is intended to endure for many years.

Coherence

An interim assessment of internal coherence – that is, regarding the division of work and the generation of synergies under the cooperation model as well as its conformity with guiding principles of German development cooperation – is rendered difficult by the heterogeneity of the findings. Positive findings are linked to the strategic goals and principles of German development cooperation, whereas more challenges are found in relation to the joint interministerial approach.

External coherence – meaning the complementarity and coordination achieved by the cooperation model in interaction with partners, other donors and international organisations – can be rated predominantly positively. The sector priorities of the RPs are largely coordinated with the strategies and priorities of other donors and mostly complement these in a useful way. The RPs use both existing and shared systems and structures to coordinate their activities with other donors. The jointly developed reform partnership and/or reform financing matrices serve as planning instruments which foster dialogue and contribute to a greater intensity of consultation between different donors. However, the extent of donor harmonisation in the various partner countries differs and, particularly in cases of joint donor financing, is limited by the bilateral sequencing and prioritisation of relevant indicators for disbursements. These findings on donor harmonisation underscore that the cooperation model’s bilateral design gives rise to challenges. On account of the bilateral character of the cooperation model, for example, continuous and intense cycles of consultation with other donors are automatically more resource-intensive than would be the case with a development cooperation approach that was multilateral in design.

Effectiveness/Causal mechanisms

As explained in the introduction, the evaluation’s assessment of effectiveness focuses on reviewing the initial reform steps taken and the operation of the two causal mechanisms that were assumed to be particularly conducive to achieving the objectives of the RPs, namely ownership and conditionality.

The initial reform steps taken by partner governments in the course of the RPs mainly consisted of laws, decrees, regulations and ordinances, but also first steps towards implementation, such as establishing and restructuring institutions. For the most part, these largely tended to create enabling conditions for future outcomes rather than producing outcomes in their own right.

Even taking this limited interpretation of outcomes, major differences between the reform partner countries can be observed. While in Tunisia, for example, most of the RP’s milestones were achieved after four years, and Ethiopia similarly implemented many of the initial reform steps within a relatively short period of time, in Ghana these are trailing behind, mainly because negotiations about the precise orientation of the RP and the associated milestones of the envisaged reforms took considerably longer.

Regarding the mechanism of ownership, in summary, the degree to which consistent attention to and promotion of ownership is constitutive for current and future outcomes can be traced for all the reform partner countries included in the detailed analysis. All the identified elements of the process mechanism – (1) ex-ante ownership, (2) promotion of and consistent attention to ownership throughout the process, and (3) ex-post ownership – could be traced sequentially across all cases. The overall findings for Ethiopia and Tunisia show that from the beginning of negotiations through to the concrete implementation of individual reform steps, the degree of ownership was mostly high. This positive finding for ex-ante ownership correlates with the positive finding with regard to relevance, as presented above. An additional

finding from the process analysis of the Ghanaian case shows, however, that ownership develops dynamically in the course of an RP and can also be lost. The example of Ghana thus provides the most striking ex-negativo evidence of how important sustained ownership is for the effectiveness of the RP. The situation here was that the partner country agreed with the choice of the RP's overarching priority sector but not with the focus, instigated by Germany, on expanding renewable energy capacity. Consequently, the partner country refrained from pressing ahead with any further reforms for more than an entire year. Only after Germany compromised and reoriented the reform matrix (in which the envisaged reform steps were set out) to accommodate Ghana's demand for a strong emphasis on the financial recovery of the energy sector did the RP regain momentum.

Unlike the mechanism of ownership, the mechanism of conditionality – which can be broken down sequentially into (1) ex-ante conditionality (such as via the selection process) and (2) ex-post conditionality (such as by withholding commitments) – is only sporadically in evidence. Furthermore, assumptions can only be formulated about individual causal pathways at the most. It became clear during the analysis, however, that ex-ante conditionality in the sense of a criteria-based selection of reform partner countries has not been applied with consistent rigour so far. Compared to criteria of democracy and rule of law, greater weight was attached to economic reform criteria and, specifically, the partner governments' own affirmations of commitment to such reform. In addition, the selection process outlined above shows that other political criteria also played a role in the selection process without being made explicit. Reform partners are de facto almost always countries that are perceived as anchors of stability in a fragile geopolitical environment or as places where German development cooperation or the German economy has pre-existing special interests.

With regard to the application of conditionality after selection as a reform partner country, mainly positive incentives can be identified as a dimension of ex-post conditionality across the cases studied. In particular, partners are supported and encouraged to implement their own reform projects mainly by offering the prospect of financial support in return for taking reform steps. In other words, the requirements upon partners are front-loaded: reforms must be implemented first, and disbursements come afterwards. Another dimension that is constitutive of conditionality, the use of negative incentives – especially by withholding funds if agreed reform steps are not carried out – was only utilised hesitantly, either in communications or in practice. Actual withholding of funds in response to changing political conditions was only practised in the event of drastic deterioration of the political framework conditions such as in response to the worsening Tigray crisis in Ethiopia. Conditionality in the sense of applying sanctions in the course of the RP has so far only been used almost exclusively for funding commitments realised by means of reform financing – and hence, only in reform partner countries that have organised financial support via reform financing. And even there, the intensity with which conditional elements have been applied differs. Added to that, reform financing was initially implemented in only half of the reform partner countries (although more was coming on stream as the data collection for this evaluation came to an end). Ultimately, a consistent use of conditionality is in tension with the strong communicative focus on funding to be allocated (and weaker emphasis on the requirement to deliver on agreements), most importantly at the beginning of the RPs. As a result, partners often barely register the “making demands” aspect of the partnership until funding is actually withheld, and use of the term “conditionality” is often avoided in practice.

Political dialogue

RPs are based on the premise that political dialogue is to be conducted at a higher level and more intensively than is the case in standard development cooperation with partner countries. By routinely involving “special representatives” (usually heads of BMZ's divisions), pursuing continuous dialogue on the reform matrices and, in some cases, intensifying the involvement of the German embassies in the partner countries, this could largely be ensured. Furthermore, the partner dialogue enabled better identification of the priorities, needs and challenges of the reform partner countries.

Up until the emergence of manifest crises in reform partner countries, however, the political dialogue was primarily sectoral in emphasis and there was little success in broadening the dialogue to include the politically sensitive issues that grew ever weightier during the evaluation period. Apart from a lack of practice in critical dialogue on certain aspects of reform, the main shortcoming in this regard was a lack of intensity

and high-level political involvement in the partner dialogue at the very moment when major political crises were erupting on the ground, as was the case in Ethiopia, Morocco and Tunisia.

Conclusions

The evaluation concludes that the RPs cooperation model, with its focus on partner ownership, is conceptually up-to-date and largely appropriate, since it does justice to developments since the Paris/Accra Agenda and the associated debate on the effectiveness of development cooperation. In the wake of this debate, international development cooperation has focused on supporting the partner countries' national development strategies and their needs. The RPs reflect a corresponding shift away from donor-dominated specifications. Recognition of the leading role of partner countries in joint development efforts is widely practised, which is very much in keeping with the current consensus in the international debate.

On the other hand, practical implementation of the cooperation model within the framework of bilateral cooperation with the selected countries is proving more difficult. The model is mostly appropriate if, alongside the partner countries' economic reform efforts, the framework conditions of democracy and rule of law also meet high standards. As has become clear over the first few years of the cooperation model, however, this has not been the case in half of the reform partner countries selected so far. Adequate responses to a fundamental deterioration in the political framework conditions following the outbreak of civil war in Ethiopia, the prolonged dissolution of parliament in Tunisia or the unilateral severance of diplomatic relations by Morocco (mainly due to Germany's non-recognition of Morocco's territorial claim to Western Sahara) have not yet been forthcoming. The ensuing political crises therefore posed major challenges for the RPs approach as a whole. The responses this elicited from the BMZ and the German government as a whole were very mixed. Taken together, however, they showed that conceptually, the RPs were unprepared for a possible ending of the partnerships (such as by working out exit strategies in advance in case political conditions deteriorated), and the incorporation of politically sensitive issues into the partnership dialogue had not been envisaged. Regardless of whether the political setting for cooperation is made a topic of the partnership in future or whether cooperation is made conditional on full adherence to rule-of-law and democratic norms even after the selection date, a timely response to the challenges of negative political developments is advisable to ensure that the RP model as a whole is not adversely affected.

The evaluation reveals that the framework of democracy and rule of law is an overriding condition for the successful elaboration of this cooperation model. Against the backdrop of the new German government's coalition agreement, which envisions directing support particularly to countries "where a reform agenda for democracy, human rights and the rule of law" is being pursued (Bundesregierung, 2021a: 158), this correlation takes on particular relevance. However, the cooperation model was not (yet) well prepared for substantial negative developments on the political level.

Implementation was sometimes more successful within the specific forms of conditionality that are intended to evolve on the basis of a stable political framework. Bearing in mind that Germany largely ceased to provide general budget support in the context of a series of major corruption cases, the stronger emphasis on conditional elements in cooperation signals that the consequences of the effectiveness debate, and particularly the developments of the last few years, are being followed through. This is formally integrated into the RPs via the "making demands" aspect, since reform partner countries must agree to the measurement of their progress on jointly agreed reforms, which is then reflected in the reform financing allocated. However, the evaluation shows that the "making demands" component should be applied more consistently throughout the concrete implementation.

The challenges lie first of all in the inherent tension surrounding partner country ownership. On the one hand, de facto the individual reform steps are not always congruent with the immediate interests of the governments of the reform partner countries. This may be because unwelcome reforms such as tariff increases in vital economic sectors (electricity, water) cause greater political problems in the run-up to actual implementation than in the planning phase, or because the pace of reform has been overestimated, or the partner country's priorities have changed following a general election. On the other hand, given the special nature of these partnerships, it seems to be neither easy nor indeed advisable in every case to exert too

much pressure on partners – when understandable delays occur, for instance. With that in mind, cautious adjustment of the “making demands” elements will still have to be undertaken context-specifically.

Although joint donor action geared towards the use of conditionality can essentially be regarded as advantageous due to its potential to achieve greater leverage, the evaluation shows that it is equally likely to pose challenges for the use of conditionality. For example, some of the other bilateral donors as well as multilateral donor institutions, such as the World Bank, follow a less stringent reporting system in the reform partner countries and use indicators that are not especially ambitious. The same holds true for requirements pertaining to the development of political framework conditions in the partner countries, which are also subject to considerable variation between donors. This is of particular significance because it makes it harder for an individual donor to make ambitious demands, concerning the improvement of good governance, for instance.

Apart from these differing levels of ambition and in some cases diverging priorities of (multilateral) donors, another hindrance to over-reliance on the logic of “making demands” is the fact that reform partner countries tend to be economically better off in comparison to other African countries, and mostly have access to financing options in the market on similarly favourable terms. Our empirical data shows that while the RPs emphasise their support for “champions of reform”, they are best able to apply their full functional logic of “providing support and making demands” in cases where reform partner countries are more dependent on external assistance and thus conform to the traditional role of developing countries.

Regarding the internal coherence of the RPs, the political crises in the existing reform partner countries have also shown the great necessity of a far more interministerial approach in future – from the selection of reform partner countries to the implementation of the RPs and joint action to deal with challenges arising during the partnership. Apart from plain coordination of projects among the ministries represented in each reform partner country, what is needed above all is an agreement and a common understanding about the RPs between the BMZ and the Federal Foreign Office.

It could be helpful for the partner dialogue and the further development of the RP model to intensify the involvement of Technical Cooperation (TC) even further (Meyer 2019; Krisch et al., 2015). For the most part, the evaluation finds that coordination, division of work and coherence between FC and TC are successful; however, the focus on FC at the beginning of partnerships (mainly to stabilise partner systems with high-volume financial support) meant that the development and integration of suitably adapted TC could only be accomplished gradually. Intensifying the involvement of TC in future in the conception and planning phase and right through to implementation would have the advantage of making fuller use of the complete, strategy-based German development cooperation package, and would also ensure the support for capacities that is still essential in all reform partner countries. Since multilateral donors continue to provide larger volumes of funding, apart from the obvious co-financing opportunities, a potential niche for bilateral RPs is to offer not only attractive financial support but also the use of the complete set of German development cooperation instruments.

The evaluation shows that tying the RPs to the CwA was helpful in bringing coherence to the elaboration and initiation of the partnerships. However, a narrow focus on private sector development issues forced by the CwA is not necessarily required. The importance of the CwA is increasingly declining, as outlined in the evaluation (and perceived by several interviewees from different groups of actors). This is unlikely to spill over onto the RPs because the thematic tie-in with private sector development largely matches the interests of the reform partner countries. However, the evaluation findings indicate that many of the characteristics of the cooperation model – high-level partner dialogue addressing jointly agreed reform objectives, broad deployment of instruments, performance-based monitoring – need not necessarily be kept within the bounds of the CwA’s thematic areas. The principles of the Paris-Accra Agenda applied in the RP model are essentially transferable to other sectors as well. For example, the RPs could make a greater contribution to the social and environmental dimension of sustainable development (and hence to the 2030 Agenda) if the framework of the cooperation model made it possible to address the full spectrum of core areas and areas of intervention prioritised by German development cooperation. Furthermore, broadening the thematic scope of RPs would result

in additional options for establishing better links with partner country priorities and ownership and help to facilitate a prospective harmonisation of the RP portfolio and the bilateral country portfolio.

The evaluation thus draws the further conclusion that greater standardisation of the RPs, in terms of harmonisation with existing country portfolios, would be somewhat helpful in order to increase coherence and to transport the special character of the partnership beyond individual sectors into the whole of the cooperation. In doing so, it nevertheless seems expedient to allow for country-specific particularities and not to impose conceptual specifications which predetermine whether, for example, an established RP sector or a completely new one will be selected. Within the parameters of the RP strategy, both are possible. What is more important is the rationale for the given decision, which should be stated in terms of the objectives of the RPs and the country-specific baseline situation and should demonstrably engage with the RP model. Also more important is a medium- to long-term plan, which increases the coherence of the partnership and considers scenarios for dealing with a deteriorating (political) context. So far, the latter practice has not been carried out transparently in any reform partner country.

In principle, a growing convergence of conceptual ambition with concrete implementation can be observed in the reform partner countries; regarding the multilateralisation of RPs, for example. Initially there was little evidence of the joint donor approach in the first generation of RPs, but it steadily intensified over time. In the meantime, joint donor reform financing has been introduced in all three case study countries. This is essentially positive for the external coherence of the cooperation model. However, reform financing is most likely to have a leverage effect on the partner countries in future if a maximally harmonised approach is chosen to the sequencing and prioritisation of reform steps and to disbursement practices.

Recommendations for further development of the cooperation model of reform partnerships

Preliminary remark

As explained, the cooperation model of the RPs is up to date, as it incorporates a mixture of supportive and demanding elements while maintaining a focus on the principles of ownership and partnership within the cooperation. However, the first few years of RPs have shown that the cooperation model's assumptions concerning the democratic structures (and economic reform-mindedness) of the African reform partner countries do not match the actual state of development in many countries. Consequently, the ambition of the cooperation model, derived from the experiences of the last few decades, is quite difficult to reconcile with reality. Successful implementation of the model is generally suffering due to a substantial deterioration of the framework conditions of democracy and rule of law in Ethiopia, Tunisia and Morocco.

Against this backdrop a policy decision is needed:

- Either (1): the BMZ applies more consistent ex-ante conditionality regarding democratic and rule-of-law structures in the reform partner countries. In that case, the selected states should not only be measured against minimum democratic standards of good governance that are clearly defined by the BMZ (Doc. 4), but should also be “champions of reform” with regard to this criterion. Currently this would make at least the selection of states like Ethiopia or Morocco questionable, in view of their ranking in common indices such as the Freedom House Index, the Bertelsmann Transformation Index and the Democracy Index of the V-Dem Institute.
- Or (2): the ministry makes the political framework of the partnership a more prominent topic of the political dialogue with partners.

As it is foreseeable that more stringent selection criteria would lead to the exclusion of many of the current reform partner countries and greatly reduce the pool of future partner countries in Africa, the following recommendations are issued in keeping with the second, more realistic option.

Recommendations

1. In order to prevent any deterioration in democratic and rule-of-law framework conditions from damaging the cooperation model of reform partnerships, the BMZ should take the political framework conditions of cooperation into consideration more consistently. Specifically, the BMZ should
 - firstly, set more transparent benchmarks for the selection of reform partner countries, so that challenges arising for individual reform partner countries and specifically their political frameworks can be documented and used to shape the subsequent process;
 - secondly, articulate its own expectations and challenges at the beginning of a reform partnership and work jointly with the partners to identify a verifiable measure of progress in the political framework, which the partners themselves are also willing to be measured against;
 - thirdly, develop an exit strategy or modification options for the cooperation which spell out the consequences of disregarding the partnership framework in a timely manner.
2. The BMZ should take care to make ex-post conditionalization even more consistent in the individual reform partner countries. In particular, disbursements of reform financing should only be released after predefined criteria have been fulfilled.
3. Recognising that partner ownership is a necessary condition for an effective reform partnership, the BMZ should use it as a starting point for cooperation in all reform partner countries and heed it throughout the subsequent cooperation.
4. To enable better tracking of the effectiveness of the reform partnerships, the BMZ should continuously collect outcome-specific findings and compare these with the conceptual specifications (in the theory of change). For this purpose, an institutionalised system for regular progress reporting in the individual reform partner countries should be developed, and systematic exchange should take place between the participating BMZ divisions about outcomes and influencing factors.
5. The BMZ should strengthen its analysis capacities with regard to the reform partnerships. This refers both to political context analyses when selecting reform partner countries, and to sector and stakeholder analyses.
6. In order to make good use of the benefits of high-level political dialogue, the BMZ should continue its practice of delegating “special representatives”. These politically high-ranking representatives of the BMZ should instigate dialogue with hierarchically equal-ranking representatives of the partner government at regular intervals (at least annually). Meetings should take place in person, ideally both in the reform partner countries and in Germany. During cooperation, care should also be taken to increase the number of actors involved on the partner’s side in order to avert any dependency of cooperative relationships on individual personalities.
7. From the outset, the BMZ should embed the reform partnerships in a whole-of-government approach: from the selection of reform partner countries through to the individual steps in the process, the German government should take care to present a united front when meeting its partners in order to be perceived as a reliable and coherent reform partner. In particular, country strategies coordinated with the Federal Foreign Office should provide the basis for embedding the reform partnerships in a unified governmental approach.
8. The BMZ should elaborate reform financing – jointly with other donors/multilaterally if possible – as a conceptual core component of reform partnerships in order to achieve potentially higher leverage. Efforts should be made towards a common prioritisation of disbursement-related indicators and harmonised disbursement practices.

- 9.** In future, the BMZ should open up the reform partnerships thematically to cover all its core areas, thereby creating the possibility of using the cooperation model to tackle a broader range of development challenges. In respect of this greater thematic openness, the BMZ should take care to harmonise the bilateral country portfolio and the reform partnership portfolio so that, moving forward, the reform partnerships can provide a coherent framework for all bilateral development cooperation with reform partner countries. In addition, the BMZ should examine the extent to which the use of the cooperation model outside the African continent seems to promise any success.

- 10.** As standard practice, the BMZ should produce a master reform partnership matrix for each reform partnership, which should follow a uniform design for all countries and should illustrate the assumptions about the broader development impacts of the reform partnerships. The matrix should map the most important sectors (core and initiative areas as well as areas of intervention) addressed by the given reform partnership as well as its particular objectives and associated support projects. Complementary to this, reform financing matrices should remain in use in reform partner countries receiving reform financing.