

# RESULTS-BASED BILATERAL DEVELOPMENT COOPERATION

## *The triad of country strategy – (development cooperation) programme – module*

### Executive summary

In recent years, Germany's Federal Ministry for Economic Cooperation and Development (BMZ) has launched fundamental reforms. These are designed to enable bilateral official development cooperation to make a more targeted and effective contribution towards implementing the 2030 Agenda and the Paris Agreement. Reform processes such as 'BMZ 2030' and the joint procedural reform are important steps in this regard.

Furthermore, the BMZ has introduced a new management model for bilateral official development cooperation. This so-called 'triad' management model involves a systematic approach to achieving objectives on three levels: country strategies, development cooperation programmes and modules. A special role is played by the development cooperation programmes. These act as an interface between the strategic development-policy goals of the BMZ, and the concrete interventions of the governmental implementing organisations.

In its report on the results orientation and evaluability of development cooperation programmes, DEval delivers initial findings on the application of the new procedures and requirements under the joint procedural reform, and their effects. It also analyses their results orientation. The evaluation concludes that the triad is in principle a suitable instrument for the results-based planning and monitoring of bilateral cooperation. In practice, however, action is required that goes beyond the programme level and effects the management model as a whole. The greatest challenges identified by the evaluation were:

- i. insufficiently specified objectives systems across the three levels
- ii. incomplete and in some cases missing causal assumptions
- iii. inadequate or non-existent monitoring systems.

These deficits are due inter alia to (i) a lack of technical and methodological knowledge on the part of those responsible, (ii) unclear responsibilities in the quality assurance of objectives and indicators, and (iii) insufficient data availability and resources.

### 1. Comprehensive reforms in German development cooperation

German development policy is guided by the United Nations 2030 Agenda, the Paris Agreement on Climate Change (2015) and the Busan Partnership on Effective Development Co-operation (2011). Regarding a concrete contribution to the 2030 Agenda, during the last legislative period the BMZ sought to clearly focus German development cooperation<sup>1</sup> and to reform existing procedures for planning and implementing bilateral development cooperation (BMZ, 2020).<sup>2</sup>

With its 'BMZ 2030' reform strategy, the Ministry once again made an attempt to replace the much-criticised practice of distributing resources thinly among a wide range of sectors and countries by creating a clearer focus and profile. Alongside targeted dialogue with partner countries and organisations, the BMZ's capacity to act and exert control, as well as overall effectiveness, are to be increased. The reforms are designed to support the more targeted planning and management of interventions. A further aim is to reduce the coordination work and the transaction costs for the BMZ and its partners.

Consequently, overarching planning procedures were introduced along with new core areas for support and partnership categories. The BMZ explicitly states that improving the results orientation and evidence of development cooperation interventions is an

<sup>1</sup> A detailed analysis of the allocation of German bilateral ODA is provided in: Wencker, T. (2022), *Die Verteilung von Mitteln für die deutsche öffentliche Entwicklungszusammenarbeit. Allokationsstudie zur bilateralen staatlichen Entwicklungszusammenarbeit aus Haushaltsmitteln [German only]*, Deutsches Evaluierungsinstitut der Entwicklungszusammenarbeit (DEval), Bonn.

<sup>2</sup> The 'BMZ 2030' reform strategy and the joint procedural reform are particularly important in this connection.





In summary, there is a substantial need for improvement regarding the results orientation of development cooperation programmes, and the triad as a whole. DEval therefore makes the following recommendations:

- Define a clear and coherent system of objectives across all levels of results of the triad, and provide guidelines on how to do so.
- Formulate appropriate and logical causal assumptions and risks in the design phase of development cooperation programmes; these need to be reviewed during implementation based on reporting.
- Define sufficiently quality-assured indicators for the achievement of objectives and set up a conceptually planned and sufficiently resourced monitoring system to measure these indicators.

### Steps already taken

The findings of the evaluation corroborate and complement those of both the OECD-DAC Peer Review for Germany 2021, and the final communication of the Federal Court of Audit on the audit of the evaluation of development cooperation interventions. They thus point to a clear need for action. The BMZ has already taken or decided on the following steps:

- Update the joint procedural reform.
- Establish various BMZ working groups involving the implementing organisations, DEval and the German Development Institute, in order to address specific issues, including the understanding of evidence and standard indicators.
- The implementing organisations will pilot a programme-level evaluation format from 2022 onwards.

## References

**Amine, M. et al. (2022)**, *Wirkungsorientierung und Evaluierbarkeit von EZ-Programmen* [German only], Deutsches Evaluierungsinstitut der Entwicklungszusammenarbeit, Bonn.

**BMZ (2021)**, *'BMZ 2030 Reform, Strategy. New thinking – New direction.'* German Federal Ministry for Economic Cooperation and Development, Bonn.

**OECD DAC (2021)**, *OECD Development Co-operation Peer Review: Germany 2021 (Executive summary): Key findings and recommendations of the Development Assistance Committee (DAC)*, Organisation for Economic Co-Operation and Development, Development Assistance Committee, Paris.



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The German Institute for Development Evaluation (DEval) is mandated by the German Federal Ministry for Economic Cooperation and Development (BMZ) to independently analyse and assess German development interventions. Evaluation reports contribute to the transparency of development results and provide policy-makers with evidence and lessons learned, based on which they can shape and improve their development policies.