

Unclassified

English text only

3 March 2025

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

Peer Review

Mid-term Review of Germany

The mid-term review of Germany was conducted in 2024 following the 2021 peer review.

JT03560996

Director

DEVELOPMENT CO-OPERATION DIRECTORATE

DCD/PG(2025)6

3 March 2025

To: DAC Delegates and Observers

Germany's Mid-term Review, 5-6 December 2024, Berlin

Dear Colleagues,

On 5-6 December 2024, I conducted Germany's mid-term review together with Renwick Irvine and Lora Pissareva of the OECD Development Co-operation Directorate. I wish to express my gratitude to Parliamentary State Secretary Bärbel Kofler and Ministerial Director Dirk Meyer as well as to officials at the Federal Ministry for Economic Cooperation and Development (BMZ), the Federal Foreign Office (FFO) and the Federal Chancellery for their active engagement. The meeting with Parliamentary State Secretary Kofler also offered the opportunity to launch our OECD e-learning module on triangular co-operation, which Germany generously supported. My thanks also extend to members of German implementation agencies GIZ and KfW, and partners of German civil society (VENRO) and think tanks (IDOS) for taking time to meet, as well as to members of the Parliamentary Committee for Economic Cooperation and Development and the Director of the German Institute for Development Evaluation (DEval) for exchanging virtually as part of the review. I appreciated the excellent co-operation of Diane Bombart and Thomas Piesch for the smooth organisation of a rich visit.

The mid-term review focused on Germany's progress against the 10 recommendations of the [2021 OECD-DAC Peer Review](#) and the key developments that have occurred since. The discussions also served to reflect upon emerging risks, in particular related to recent budgetary cuts and the forthcoming political transition, as well as an eroding public support for development cooperation.

Germany's robust development cooperation agenda faces increasing pressure to deliver results effectively in light of recent budget cuts

Germany's government changed following the federal elections in September 2021, bringing new priorities to the fore, in particular a stronger emphasis on climate action and gender equality, as well as on European and multilateral processes. The year 2023 was marked by the development of several government strategies, some under the leadership of the BMZ (including on [multilateral engagement](#), [feminist development policy](#), [CSO engagement](#), [human rights](#), as well as several new regional strategies on [Africa](#), [Asia](#) and a forthcoming one on the Middle East and North Africa), and some under the auspices of other federal ministries (such as the [feminist foreign policy](#) or Germany's first [National Security Strategy](#)), which have provided anchor points to structure German development policy and cooperation in specific fields and signal a robust and positively evolving development agenda.

However, ensuring buy-in across federal actors and implementing agencies remains a challenge, particularly as adherence to and resourcing of strategies varies, which impacts capacity to successfully operationalise implementation efforts. This is further compounded by the need for prioritisation among (potentially) competing strategies, which is likely to become more acute in the context of recent budget cuts. While in 2023, Germany provided USD 37.9 billion (final, current) of ODA, representing 0.82% of GNI, 2024 saw significant cuts including EUR 1.7 billion from BMZ and more than EUR 400 million from humanitarian aid of the Foreign Office, with further substantial cuts on the horizon for 2025. These cuts further underline the importance of strategic prioritisation

and effective resource allocation to sustain Germany's development impact, with BMZ remaining also cognisant of the fact that Germany's actions set an important example globally in this respect.

Strengthening policy coherence and whole-of-government coordination will be key to amplifying impact of Germany's complex development cooperation system

Germany's development cooperation system is underpinned by a range of effective implementation agencies such as GIZ and KfW, and benefits from highly skilled staff. These institutions provide a solid foundation for operationalising ambitious development policies, including through innovative financing mechanisms such as KfW's policy-based loans to support implementation of national climate plans, as well as a bold approach to addressing coloniality in development cooperation. The [BMZ 2030 reform](#) has provided a clearer strategic framework for Germany's development cooperation, with thematic priorities such as poverty reduction and feminist development policy gaining traction. Progress in integrating gender equality into operations is particularly commendable, supported by an operational Gender Action Plan, increased funding for gender-focused initiatives, and innovative approaches to embedding feminist principles.

However, the German system remains fragmented, and challenges persist in achieving greater coherence and integration across its various components through a whole of government approach—a dynamic that continues to limit its potential impact and efficiency despite its numerous strengths. As noted in the last peer review, the system still operates as “less than the sum of its parts”, underscoring the pressing need for strong and effective leadership to guide and align it toward its full potential. While BMZ plays a critical role in this regard, there is room for it to assert itself more robustly, and be fully recognised as the development lead, providing the strategic direction and coordination necessary to enhance the system's overall effectiveness.

Germany's updated Sustainable Development Strategy (GSDS) has introduced mechanisms to address spillover effects, but progress in systematically embedding policy coherence across all federal ministries remains a challenge. Ensuring that the newly created State Secretary Committee on ODA Coherence delivers tangible results in policy alignment—extending beyond climate and EU policy to critical areas like economy and trade—will be essential for enhancing the efficiency, effectiveness, and coherence of development efforts, while maximising the impact of ODA investments. In this context, continued efforts to mainstream sustainability across policy areas, including the planned sustainability check, represent a step in the right direction.

Germany's leadership in multilateral fora offers opportunities to reinforce its role as a global development champion

Germany continues to play a leadership role in multilateral development efforts through active engagement with international organisations and strong coordination with European partners, including notable contributions to recent reforms of the global financial architecture and to Global Gateway, mostly via Team Europe Initiatives. While these efforts demonstrate Germany's commitment to addressing pressing global challenges alongside and through partners, it will be critical to ensure that they remain aligned with and responsive to partner country needs.

The Hamburg Sustainability Conference represents a recent and promising example of Germany's efforts to foster global dialogue on sustainable development priorities. Positioning the conference within a well-defined niche on the global stage with actionable deliverables—while ensuring coherence with international agendas—would help solidify its relevance in the broader landscape of international collaboration.

Germany recognises the need to reinforce public and political support, underpinned by a compelling development narrative

How Germany navigates these challenges in an increasingly uncertain political climate will not only shape its own development impact but also influence international approaches and expectations. Reinvesting in long-term engagement through citizenship education and smarter communication strategies will be essential to counter the growing risk of hostile political rhetoric and misinformation that threaten to undermine public trust in development cooperation. Crafting and communicating a compelling, evidence-based narrative that highlights the interconnected benefits of global solidarity and national interest will be key. This involves, among other things, a stronger focus on engaging the German private sector in development cooperation, as well as an approach to displacement and migration which is based on partnerships that aim to maximise benefits for countries of origin, countries of destination and migrants. This is all the more important as Germany looks to position itself vis-à-vis other global players, whose influence continues to grow.

Following the rich discussions in Berlin, I was happy to see that Germany has made progress against all of the recommendations from 2021, with good progress on three recommendations in particular. I am looking forward to seeing how BMZ's efforts to strengthen policy coherence and coordinate the operationalisation of new government strategies will bear fruit in advance of Germany's next full peer review, building on its strong ecosystem of implementing agencies and partners.

Yours sincerely,



Pilar Garrido
Director
Development Co-operation Directorate

CC: Ambassador Carsten Staur, DAC Chair
Robin Ogilvy, DCD
Renwick Irvine, DCD
Lora Pissareva, DCD

Annex: Table on progress against the 2021 peer review's recommendations

Keywords	Recommendation	Progress
1. Policy Coherence for Sustainable Development	<p>Germany should take action so that its Sustainable Development Strategy better addresses incoherence between domestic and European policies and global sustainable development objectives, in particular spillover effects on developing countries, by:</p> <ul style="list-style-type: none"> a) Undertaking systematic analysis to identify areas of potential incoherence in existing and proposed policies and regulations. b) Including in the strategy remedies to mitigate negative impacts affecting developing countries and assigning actions for federal ministries and agencies to implement. c) Following up on implementing, reviewing, and reporting the results of these actions. 	<p><i>Some progress.</i> Germany has pursued further efforts to strengthen policy coherence, notably through its updated Sustainable Development Strategy (GSDS), which explicitly addresses transboundary impacts through a detailed analysis of spillover effects. To operationalise these commitments, Germany has established several inter-ministerial "transformation teams" and tasked a newly formed State Secretary Committee with overseeing coherence in ODA-related policies. Recent progress on PCSD also includes further integration of indicators and piloting inter-departmental evaluations to better understand and mitigate potential incoherence in key policy areas suggest good progress to enhance the measurement agenda on PCSD. While promising, these mechanisms will require systematic follow-up, enforcement, and arbitration capabilities to deliver concrete results, but Germany's fragmented federal structure still complicates consistent application of policy coherence principles. Germany's next full peer review will be an opportunity to get a better understanding of how the new mechanisms are working in practice, including to what extent they have helped assign arbitration power to specific bodies.</p>
2. Strategic vision	<p>As the lead for development co-operation in the federal government and in order to fully implement its policy and 2030 reform process, BMZ should:</p> <ul style="list-style-type: none"> a) Develop a clear strategic vision for German development co-operation, including technical cooperation, across the federal government and implementing organisations. b) Use the joint procedural reform and BMZ 2030 to drive effectiveness, flexibility and responsiveness to partner countries' needs through reduced internal bureaucracy. 	<p><i>Some progress.</i> Germany has aligned its development cooperation with SDG priorities through the BMZ 2030 reform, emphasising thematic coherence and streamlined processes across core areas such as climate action, gender equality, and global public goods. Many of these areas are now underpinned by dedicated government strategies, which provide helpful anchor points to structure German development policy and cooperation in specific fields, signalling a robust and positively evolving development agenda. Cooperation between BMZ and key implementation agencies like GIZ and KfW also appears strong. However, the lack of a unified vision binding all development actors, including other federal ministries beyond BMZ, remains a challenge. While efforts to reduce bureaucracy and address colonial legacies are commendable, stronger whole-of-government coordination and BMZ leadership are necessary to ensure system-wide coherence. Plans to evaluate strategic impacts by 2025 offer potential, but full integration across the government is necessary for tangible progress.</p>
3. Gender equality	<p>To enable German development co-operation to realise its ambitious gender action plan, BMZ and its partners should invest more in gender equality and women's empowerment, increase human resources for gender equality, and further develop staff capacity.</p>	<p><i>Good progress.</i> Germany has made significant progress in this area, supported by a new Feminist Development Policy, introduced in 2023, and an operational Gender Action Plan, which are underpinned by strong buy-in and engagement from other federal ministries. Increased funding commitments, tools for implementation, and investments in training have helped to further institutionalise gender mainstreaming in policy and programming, including through a robust alignment with other strategic priorities. As the federal ministry in charge of this agenda, BMZ also achieved gender parity at all management levels in 2022. Integration of gender equality into country strategies also demonstrates substantial progress and could be further strengthened by</p>

Keywords	Recommendation	Progress
		expanding engagement with diverse stakeholders, including local civil society organisations, to enhance the inclusivity and effectiveness of specific initiatives – as already exemplified by GIZ, which has structurally integrated feminist development policy to ensure gender considerations are central to all aspects of its programme implementation.
4. Poverty and inequality	Germany should develop further guidance and more closely monitor the extent to which its investments contribute to reducing poverty and inequality.	<i>Some progress.</i> Germany's continued focus on poverty reduction is commendable and should be pursued in tandem with the objective of tackling inequality. Ensuring that the more recent and growing focus on inequality does not overshadow attention to poverty alleviation will be crucial. In particular, this requires protecting core funding for least developed countries (LDCs) and the most vulnerable populations, particularly in the face of increasing budget constraints. Furthermore, operational integration and systematic monitoring of both poverty and inequality objectives are key. The establishment of poverty and inequality reduction as one of BMZ's 'quality criteria' alongside the development of several strategic guidance documents is an important step towards better monitoring German development co-operation's contribution in this area, but their effectiveness will depend on rigorous application and transparent evaluation across its different co-operation entities. Tools and training resources, for instance, are extensive but it remains unclear to what extent staff use these (many) tools and are incentivised and resourced to apply them across the programming cycle. Exploring as part of the next full peer review how KfW is incorporating a poverty and inequality lens to its operations would be particularly useful to get a fuller picture of progress on these issues across German development co-operation, especially given the increased focus on leveraging private finance.
5. Effectiveness	BMZ should deepen its culture of results and systematically apply results-based management across German development co-operation – in particular in country, thematic, regional, and global programmes.	<i>Some progress.</i> Germany has taken further steps to embed results-based management (RBM) across its bilateral development cooperation, with new standards and training programs contributing to improve awareness and understanding of effectiveness principles within BMZ. Recent efforts to integrate lessons learned from thematic areas such as environmental governance and sustainable economic development into programme adjustments reflect progress in fostering a culture of learning and adaptation. However, systematic application across programmes remains limited and while training uptake has been good, participation is not (yet) mandatory. Planned expansions of training and RBM integration into decision-making frameworks are promising. A greater focus on linking results to learning and strategic management will also be essential to foster a robust culture of effectiveness and could be looked at more closely as part of the next full peer review.
6. Evaluation	Germany should continue to invest in building evaluation capacities in its partner countries and invest more in learning from evaluations of special initiatives and its overall investments at country, regional and programme levels.	<i>Good progress.</i> Germany has made investments in building evaluation capacities in its partner countries through initiatives such as the Global Evaluation Initiative (GEI) and DEval's regional programmes. Thematic efforts in areas such as financial governance, digital innovation, and conflict-sensitive programming demonstrate a proactive use of evaluation findings to inform

Keywords	Recommendation	Progress
		programme adjustments and strategic shifts in consultation with partners. Yet, while pilot evaluations at the country level and institutional collaborations show progress, systematic learning from evaluations remains uneven. As a number of pilot evaluations are currently underway, including of current country portfolios, it will be important to ensure that their results and impacts are fully leveraged to inform future programming. Greater collaboration between implementing agencies, particularly GIZ and KfW, could further enhance synergies and strengthen the uptake of evaluation findings across the system.
7. Fragility and crisis contexts	<p>Building on their respective roles and their increased coherence and co-ordination when engaging in fragile and crisis contexts, BMZ and the Federal Foreign Office should collectively:</p> <ul style="list-style-type: none"> a) Improve the delivery of development and humanitarian objectives by exploiting synergies across the humanitarian, development and peace nexus, amongst others by further advancing the implementation of the relevant Policy on Improving Joint Analysis and Joined-up Planning (GAAP). b) Make clear to staff and partners that conflict sensitivity and a nexus approach to programming apply across Germany's portfolio beyond the ten nexus and peace countries on BMZ's list of partner countries. 	<p><i>Good progress.</i> Germany has made substantial strides in applying the humanitarian-development-peace (HDP) nexus, with policies and financing instruments promoting joint analysis and planning. There is good evidence of collective work, both with analysis and implementation. However, institutional fragmentation, illustrated most strikingly by the existence of two separate nexus offices within BMZ and the Federal Foreign Office, increases coordination costs and may continue to complicate coherence. The relation between both offices will have to be reviewed in the next peer review of Germany. The 2023 National Security Strategy aims to serve as a guideline for inter-ministerial engagement in fragile countries and represents a substantial advance by serving as an integrated framework. The joint approach around the development of this Strategy also marks an important step toward breaking down operational silos and fostering greater coherence across ministries. Still, its full potential will depend on ensuring sufficient resources are allocated for fragile contexts, particularly in light of recent budget cuts.</p>
8. Working language	Germany should maximise the use of the international language of partner countries in nonofficial documents, training and communication to draw on the knowledge and enhance the contribution of national staff.	<p><i>Some progress.</i> Germany has stepped up efforts to leverage more systematically local expertise and make the best use of local staff's language skills. However, there is still room to improve the use of partner country languages in non-official documents and communication. While GIZ has advanced multilingual training, KfW's initiatives remain in early stages and remain for now limited to a bilingual rollout of its knowledge management system and onboarding programme in English, including specific (sectoral) trainings, which were rated very positively in the context of a recent staff survey. This signals that continuing to ensure a wider availability of documents in English and local languages would improve engagement with national staff and partners.</p>
9. BMZ staff seconded to embassies	Germany should increase the number, seniority and capacity of BMZ staff seconded to embassies, enhancing their contribution to decisions, and enabling them to engage flexibly in development cooperation at country level in a more efficient way.	<p><i>Some progress.</i> Germany has made progress in increasing the number and capacity of BMZ staff in embassies (currently 134 staff placed abroad, with 116 staff placed in German embassies and permanent missions). In parallel, BMZ has increased its financing of local staff leading to a total number of 49 compared to 32 at the time of the last Review. While virtual co-operation has improved efficiency post-COVID-19, it is unclear to what extent the underlying challenges in</p>

Keywords	Recommendation	Progress
		delegating authority and recruiting for embassies have been addressed. It therefore remains to be seen to what extent the recent strengthening of BMZ's presence has had an impact on decision-making capacity in partner countries and more effective engagement in general, in particular in the context of ongoing revisions of country strategies.
10. Country strategies	Germany should outline in country strategies its development co-operation objectives in partner countries and transparently share information about these objectives together with other relevant information about the development co-operation activities financed by the German government.	<i>Limited progress.</i> Germany has made an effort to improve transparency and inclusivity in country strategies, as well as alignment with partner country needs. There is a current revision to the country planning process and new internal guidelines have been released. Executive summaries of country strategies are publicly available but lack financial details and whole-of-government integration, limiting their usefulness. Introducing systematic consultations with partner governments and stakeholders would enhance ownership, strategic alignment, and accountability. There is also a need to align more closely with EU initiatives to maximise synergies and strengthen Germany's role within multilateral frameworks. The emerging approach around addressing coloniality in development cooperation could further enhance inclusivity and equity in country strategy development

DAC Declaration on the Paris Agreement

In December 2023, the Federal Government adopted Germany's first-ever [Climate Foreign Policy Strategy](#), providing a unified framework that consolidates the climate policy goals of various ministries and aligns them with common priorities. This strategy establishes a clear direction for a coherent and coordinated climate foreign policy, reinforcing Germany's commitment to global climate leadership. Moreover, the strategy highlights how ambitious climate action can unlock significant economic, ecological, and social opportunities, positioning Germany as a proactive leader in shaping a sustainable future.

In the context of this strategy, and in line with the DAC Declaration on the Paris Agreement, Germany has committed to increasing its international climate finance to EUR 6 billion annually by 2025, supporting sustainable and Paris-compliant investments, phasing out inefficient climate-damaging subsidies, and promoting sustainable finance policies globally to align financial flows with a 1.5°C-compatible pathway and climate-resilient development.

In 2021-22, 40% of total bilateral allocable aid (USD 9.9 billion) focused on climate change overall, up from 38.3% in 2019-20 (the DAC average was 30.5%). Germany had a greater focus on mitigation (27.6%) than on adaptation (24%) in 2021-22. Eleven per cent of screened bilateral allocable aid (USD 2.7 billion) focused on biodiversity overall, up from 10.8% in 2019-20, i.e. above the DAC average of 7.2%.