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Less is more!

Why BMZ wants to reduce the number of its partner countries

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Why BMZ wants to reduce the number of its partner countries

Bonn, 15.10.2018. German Development Minister Gerd Müller has announced a reduction in the number of partner countries: "We cannot spread our money out thinly to 85 countries around the world," said Müller a few weeks ago in the German Bundestag. This is a sensible plan; in many regards, German development cooperation is too fragmented. The large number of partner countries, the large number of priority areas, the number of actors involved and the diminishing use of joint donor approaches (e.g. budget support) have resulted in fragmentation becoming one of the key problems for German and many other development cooperation donors.

At the same time, "boiling down" the country list is no easy task. The desire to limit the number of partner countries of German development cooperation is nothing new. A newspaper comment published almost 50 years ago stated: "The Federal Ministry for Economic Cooperation (BMZ) no longer wishes to spread its development aid thinly, but rather to provide targeted assistance." A broad intergovernmental network was always important in (West) German foreign policy. It enables interests – from the admission of both German states to the UN (1973) to Germany's recent election as a (non-permanent) member of the UN Security Council – to be promoted through good cooperation relationships with as many states as possible; development cooperation often plays a supporting role in this regard. Added to this is the fact that every leadership of BMZ wishes to create his or her own profile – the initiation or intensification of development policy relationships with a particular country has often proven to be an effective approach to this end. This frequently results in the list of cooperation countries becoming longer.

There are various other significant aspects with regard to revision of the country list. The way in which BMZ funding is used has become more complex in recent years. The issue of distribution of resources to partner countries remains vitally important. However, thematic budgets are also becoming increasingly significant in Germany, not least via BMZ's special initiatives. Here, the thematic priority is first set before partners (countries, regional organisations, etc.) are identified in/with which this funding is used.

BMZ's share in Germany's official development assistance (ODA) is decreasing, as other ministries are increasingly involved in development activities and there are other relevant inputs besides BMZ budget lines. For the last few years, expenses for refugees admitted to Germany, the use of market funds in financial cooperation and the growing development cooperation inputs of other ministries have played a key role. Consequently, China, Syria and India topped the list of main recipients of German development cooperation in 2016. Ultimately, BMZ only has limited influence over the main recipients of German ODA.

All in all, a significant consolidation of the list of German development cooperation partner countries, while it is to be welcomed, is no easy undertaking. The following indicators should be used for the revision process:

Overall, the list should be even more criteria-based than in the past. High priority should be given to the aspect of "need" (in the sense of income group or the Human Development Index). Germany is yet to meet the UN target of providing at least 0.15% of its gross national income (GNI) as ODA to least developed countries. A new country list should be designed with achievement of this goal in mind.

The "Reform partnerships" concept developed by BMZ should form an integral component of a country list; this is where the aspect of providing particular support to performance- and development-oriented partners based on the principle of incentives and demands comes into play.

Cooperation with rising powers such as China and India remains a key starting point, as countries within this group itself continue to show tremendous development challenges and at the same time play a key role in the implementation of global development goals in other regions. While the type of cooperation should differ from that with other partner countries, it would not be beneficial to end development cooperation with these nations.

It is increasingly important to set aside development cooperation funding in the context of global public goods or individual Sustainable Development Goals (SDGs) rather than allocating it primarily to individual partner countries. It is necessary here for thematic and country-based programming procedures (e.g. intergovernmental consultations) to be closely interlinked.

Development cooperation can often make relevant contributions in fragile contexts. Donors such as the World Bank or the United Kingdom have their own thematic budget lines for fragile states. BMZ could take the route of setting aside special funding for supporting especially fragile and/or conflict-affected countries.

The revision of the country list offers a good entry point into inter-ministerial discussion on more closely coordinating Germany's ODA; BMZ should take on an even stronger coordinating role in this regard.

Finally, BMZ's country list should be coordinated closely among donors to prevent the emergence of aid darlings and aid orphans. There should be close cooperation within the European Union especially, and France in particular, on the division of labour.