

GERMANY



0.62% GENUINE AID/GNI

0.74% TOTAL AID/GNI



“The pandemic is a wake-up call to everyone – to the international community – to support the world’s most vulnerable people much more than has been done so far.”

– Dr Gerd Müller, Federal Minister for Economic Cooperation and Development

MAIN CHANGES IN 2020

In 2020, Germany’s ODA contributions increased thanks to significant additional spending (€1.5bn) in response to the COVID-19 pandemic. Furthermore, in 2020 Germany contributed around €500m to the World Health Organization for tackling the pandemic. Shrinking GNI was also partly the reason Germany’s ODA figure reached a historic high of 0.74% of GNI.

At the same time, however, the ‘BMZ 2030’ reform agenda of the Federal Ministry for Economic Cooperation and Development (BMZ) reduced the number of Germany’s partner countries, thereby accentuating the geographical focus of German ODA on Africa and the Middle East. The reform process also meant that several Least Developed Countries (LDCs) were dropped from the list of partner countries. Despite promising to spend between 0.15% and 0.2% of GNI on LDCs (in line with the UN target), in 2019 Germany’s contribution stood at just 0.11%.

German development cooperation was subjected to the OECD’s DAC Peer Review in 2020. Key recommendations from this included the need for greater policy coherence and the development of a strategic vision for German development cooperation.

TRENDS AND PROJECTIONS FOR 2021 AND BEYOND

The COVID-19 pandemic continues to be the single most influential factor shaping German development cooperation in 2021. The government has pledged €1.5bn for the Access to COVID-19 Tools (ACT) Accelerator, resulting in a further increase of ODA contributions.

In June 2021 the German parliament passed a mandatory human rights due diligence law which forces large companies to identify, document and counteract the risks of human rights violations and environmental destruction by direct and indirect suppliers. The law will take effect in 2023, and is likely to influence the debate around due diligence legislation at the EU level over the next few years.

On 26 September 2021 a new parliament will be elected in Germany, probably leading to a new governing coalition. As a result, shifts in Germany’s policy priorities are expected in 2022 and beyond. Faced with declining tax revenues, the government will probably seek to reduce government spending, including ODA. This could constrain efforts to recover from the pandemic and achieve the SDGs.

CASE STUDY BOX: HUMAN RIGHTS IN SUPPLY CHAINS



In June 2021 the Bundestag passed the Supply Chain Act – a new law that, for the first time, attempts to regulate human rights and social and environmental standards in commercial supply chains. While this is a positive step, the law still has many weaknesses, as it explicitly excludes civil liability and does not apply to all companies.

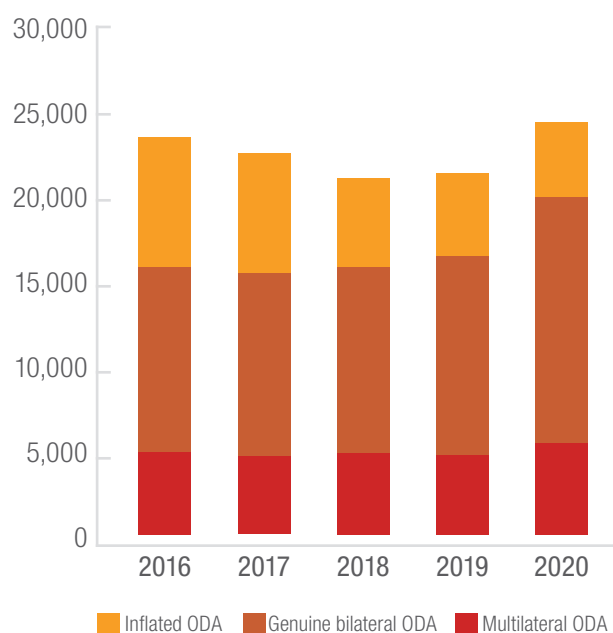
There have also been some promising developments in supply chain regulation at the EU level. In March 2021 the European Parliament adopted the Legislative Report on Human Rights and Environmental Due Diligence of Businesses, and recommended the introduction of an EU-wide supply chain law which would go far beyond the German legislation, as it includes provisions on civil liability and would apply to a wider range of companies. Businesses, however, are lobbying to water down and delay the EU legislation, and strong civil society action will be required to help push it through.

RECOMMENDATIONS TO THE GERMAN GOVERNMENT

- Focus development policies and strategies on the SDGs, on the principles of leaving no one behind and preventing further climate change.
- Maintain ODA spending at the 2021 level in order to support the recovery from the pandemic and work towards achieving the SDGs.
- Ensure that climate finance is new and additional to existing ODA spending, and double climate finance from €4bn euro in 2020 to €8bn annually by 2025.

GERMANY – GENUINE AND INFLATED ODA

(€ million, constant 2019)



ODA TO LDCS (€ million, constant 2019)

LDC	ODA to LDCs	ODA to LDCS (% GNI)	ODA to LDCS (% total ODA)
2016	3,409.96	0.10	14.30
2017	3,772.18	0.11	16.48
2018	4,022.75	0.12	19.08
2019	3,888.31	0.11	18.04

ODA TO DRM (€ million, constant 2019)

DRM	ODA for DRM	DRM (% bilateral)	DRM (% total ODA)
2016	33.24	0.18	0.14
2017	33.18	0.18	0.14
2018	35.95	0.22	0.17
2019	46.34	0.28	0.22

AID MODALITY (€ million, constant 2019)

Year	Bilateral gross	Grants	Loans	Loans (% of gross bilateral)
2016	20,937.73	16,126.05	4,811.69	22.98
2017	20,731.62	16,472.24	4,259.38	20.55
2018	18,417.23	13,995.09	4,422.14	24.01
2019	19,012.91	14,955.28	4,057.63	21.34

ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2019)

Gender focus	Bi allocable	Total Screened	Not Screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2016	12,982.39	12,304.49	677.90	6,994.47	5,156.22	153.80	41.91	1.25
2017	13,226.89	13,151.73	75.16	7,698.07	5,286.58	167.09	40.20	1.27
2018	13,077.59	12,992.07	85.52	7,142.44	5,643.03	206.60	43.43	1.59
2019	13,576.84	13,481.80	95.04	7,236.53	5,951.46	293.82	44.14	2.18

ODA TO SUPPORT CSOs (€ million, constant 2019)

CSO support	Non-CSO	Donor-CSO-Earmarked	International-CSO-Earmarked	Recipient-CSO-Earmarked	Donor-CSO-Core	International-CSO-Core	Recipient-CSO-Core	Total bilateral CSO support, % bilateral	Total bilateral CSO support, % total ODA	Core bilateral CSO support, % bilateral	Core bilateral CSO support, % total ODA
2016	17,664.57	396.84	129.53	6.83	716.64	15.46	0.00	6.68	5.31	3.87	3.07
2017	16,777.85	429.47	208.58	10.43	693.60	19.58	0.00	7.51	5.95	3.93	3.12
2018	14,658.42	382.85	180.74	9.31	719.68	30.02	0.00	8.28	6.27	4.69	3.56
2019	15,043.36	456.76	240.45	15.51	747.18	25.35	2.60	9.00	6.90	4.69	3.60