

I. Ownership and alignment

***"Successful development depends to a large extent on a government's capacity to implement its policies and manage public resources through its own institutions and systems."*³**

=> Financial and Technical Cooperation measures will be aligned with partner country development strategies and – wherever possible – will systematically utilise country structures.

Measures:

1. BMZ will review what adjustments are needed before country systems can be systematically utilised for financial management, procurement and monitoring & evaluation, as well as for assessing gender, human rights, and social and environmental issues. When working with European and multilateral organisations, BMZ will encourage greater use of country systems.

- By September 2009, the obstacles and good practices for country system use in the designated areas will be identified and analysed.
- By December 2009, BMZ will produce a proposal concerning how systematic country system use can be significantly increased.⁴ In particular, the proposal will cover issues of the delivery of at least 50% of bilateral ODA through country budget systems (fiduciary systems), and will incorporate a common understanding of these issues.
- To help strengthen country systems Germany will increase its support of partner country capacity development in these areas, and will do so on a demand-driven basis within the scope of donor-coordinated approaches. This will occur after a careful, internationally coordinated, review of which capacity development activities can be expected to generate sustainable results under what conditions.
- Germany will work to encourage multilateral and European organisations to make country system use the rule, and will integrate corresponding directives into standard procedures.
- By June 2009, a plan will be put forward for differentiated further untying of German aid.

2. Opportunities for German development cooperation to become more intensively involved in joint missions and joint country analyses⁵ will be explored, and an active coordinating role of multilateral and European organisations in joint country analyses will be supported.

- By July 2009, the experiences of partner countries and other donors, and good practices of German development cooperation, will be systematically analysed.
- By December 2009, BMZ will prepare a proposal for more intensive participation in joint missions to prepare measures, and in joint country analyses. The proposal will describe

³ AAA, para. 15.

⁴ AAA, para. 15a "Donors agree to use country systems as the first option for aid programmes in support of activities managed by the public sector."

⁵ E.g. Country Procurement Assessments; Country Financial Accountability Assessments; Country or Sector Studies and Strategies; Gender Assessments - see OECD-DAC Definitions and Guidance, http://www.oecd.org/document/33/0,3343,en_21571361_39494699_39497377_1_1_1_1,00.html.

VI. Cooperation with all development actors

"We recognise the importance and particularities of South-South cooperation and acknowledge that we can learn from the experience of developing countries."¹³

=> The increased implementation of triangular and South-South cooperation is broadening the range of promising approaches for sustainable development. Through its development cooperation, Germany is strengthening its partner countries in utilising the forms of support appropriate to their development.

Measures:

1. Triangular cooperation arrangements with anchor countries and emerging economies will be evaluated and further developed.

- Guidelines for triangular cooperation will be available in the first third of 2009.
- A study evaluating lessons learned in triangular cooperation and identifying good practices will be available by mid-2009.

2. The dialogue on development cooperation with anchor countries and emerging economies will be intensified.

- References to convergence and consensus on basic development-policy positions achieved within the scope of the so-called Heiligendamm Process will be included in the summit documents for the G8 Summit in the summer of 2009.
- The final report on the Heiligendamm Process in 2009 will lay down concrete agreements on triangular cooperation arrangements between the members of the Heiligendamm Process.
- The efforts of European and multilateral organisations – especially World Bank, the UN and OECD – to involve anchor countries and emerging economies will be supported.

VII. Incentives and monitoring

"We will strengthen incentives to improve aid effectiveness. (...) We renew our commitment to the principles and targets established in the PD, and will continue to assess progress in implementing them."¹⁴

=> Incentive structures at all levels and the regular monitoring of this plan of operations will support the process of reform within German development cooperation to increase aid effectiveness.

¹³ AAA, para. 19.

¹⁴ AAA, paras. 23 and 27.

