

Relevance and Efficiency of the Emergency COVID-19 Support Programme: BMZ prioritised rapid disbursement to partner countries

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RELEVANCE AND EFFICIENCY OF THE EMERGENCY COVID-19 SUPPORT PROGRAMME:

BMZ prioritised rapid disbursement to partner countries

Executive summary

Developing and emerging countries faced difficulties to curb the consequences of the COVID-19 pandemic through their social protection and health systems. The German Government, therefore, provided support to such countries, notably via the Federal Foreign Office, the Federal Ministry of Health and the Federal Ministry for Economic Cooperation and Development (BMZ). Since the end of 2021, DEval has been evaluating the Emergency COVID-19 Support Programme (CSP), which was the largest of these Government support packages financed by the BMZ (BMZ, 2021). The evaluation identifies the programme's strengths and weaknesses so that lessons can be drawn for the management of future global crises. The DEval evaluation supplements other international studies that assess pandemic response programmes and contributes to the work of the COVID-19 Global Evaluation Coalition (OECD, 2022).

The BMZ launched the Emergency CSP in April 2020, which was in operation until December 2021. It provided a total of EUR 4.7 billion for the prevention, early detection and containment of the COVID-19 pandemic as well as the alleviation of its socio-economic consequences in the partner countries of German development cooperation. The Emergency CSP had to be implemented under extreme time pressure and challenging working conditions during the pandemic.

The first of two modules of the evaluation of the Emergency CSP assesses the programme's portfolio in terms of the OECD-DAC evaluation criteria of relevance and efficiency.¹

This policy brief presents findings from Module 1 on (i) the distribution channels and instruments used within the Emergency CSP and (ii) the reach of the programme in terms of partner countries.

The portfolio review rates the relevance and efficiency of the Emergency CSP as high in relation to its use of distribution channels and instruments. Key reasons for this are the high proportion of funding distributed via official bilateral and multilateral organisations and the high proportion of grants. The BMZ prioritised rapid distribution of financial resources to partner countries and organisations, and used existing structures and partnerships for this purpose. There is nevertheless potential to improve the relevance of future response programmes in terms of defining criteria for the distribution of funding. This responds to the finding that CSP-funds were neither distributed based on an assessment of a country's pre-crisis vulnerability, nor on the economic and health affectedness of each country's population during the pandemic.

Methodological approach

DEval conducted a portfolio review using monitoring and portfolio data from the BMZ and the implementing organisations. The data analysis focused on the relevance and efficiency of the distribution channels and instruments used as well as the reach of the programme in terms of partner countries. Results from the portfolio review were evaluated based on a triangulation of results from a systematic literature review, qualitative interviews, secondary data and a document study.

¹ The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) defines six criteria for evaluating DAC donor countries' programmes and measures [here](#).

Figure 1 Overview of ratings of the Emergency COVID-19 Support Programme

Criterion	Aspect assessed	Rating	
		MISSED	EXCEEDED
Relevance	Relevant distribution channels were used	MOSTLY FULFILLED	
	Relevant modalities of funding distribution were used	EXCEEDED	
	Vulnerable countries were reached	MOSTLY FULFILLED	
	Countries that were more severely affected by COVID-19 economically were reached	MOSTLY FULFILLED	
	Countries where population health was more severely affected by COVID-19 were reached	MOSTLY FULFILLED	
Technical efficiency	Technically efficient distribution channels were used	FULFILLED	
	Technically efficient modalities of funding distribution were used	FULFILLED	
Economic efficiency	Economically efficient distribution channels were used	MOSTLY FULFILLED	
	Economically efficient modalities of funding distribution were used	FULFILLED	

Source: DEval, own presentation

Notes: Six-level rating scale: exceeded, fulfilled, mostly fulfilled, partially fulfilled, barely fulfilled and missed. The analysis distinguished between official bilateral, multilateral, civil society and other distribution channels. Funding was distributed via different instruments such as grants, loans, material goods, advisory support and capacity development.

Figure 1 provides an overview of the assessment by criteria. Under relevance, the evaluation examined whether the distribution channels and instruments used were suited to meet the needs of partner countries. To assess efficiency, it examined the speed of the processes for the allocation of funding and measures (technical efficiency) and how efficiently resources were used to achieve potential results (economic efficiency).²

Distribution channels

The Emergency CSP mainly supported measures in the field of water, sanitation and hygiene (WASH) – for example health training, distributing medical supplies, supporting health facilities – and measures for social protection, which included cash transfers, cash-for-work programmes, and basic services. The majority of the funding was channelled via official bilateral agencies (66 per cent) such as Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the development bank of the Kreditanstalt für Wiederaufbau (KfW). Earmarked contributions to multilateral organisations like the United Nations or the World Bank – known as “bi-multi” funding – made up around six per cent of the total funding of the Emergency CSP. Bilateral funding

via civil society organisations (CSOs) or the private sector, at less than three per cent of the portfolio, only accounted for a very small share. Around 25% of Emergency CSP funding was disbursed via multilateral organisations as core contributions, i.e., with no earmarking (see Figure 2).

A systematic literature review showed that the disbursement of funding via a mix of official bilateral agencies, multilateral organisations and CSOs is relevant and efficient in crises. According to the literature, official bilateral agencies usually have lower administrative costs and are considered faster and more flexible than multilateral organisations in certain situations.³ Multilateral organisations acquire particular relevance in crisis situations by making a major contribution to promoting global public goods such as health and social protection. Moreover, core funding enables multilateral organisations to respond quickly and flexibly. CSOs are also regarded as important partners in crisis situations because they are often the first on the ground and possess a high level of local knowledge and adaptability.

The evaluation finds that overall, the distribution channels used are technically efficient. This is mainly due to the BMZ’s

² The OECD defines economic efficiency here as “the absence of waste and the conversion of inputs into results in the most cost-efficient way possible”. In the context of a portfolio review, the economic efficiency of the deployment of funding can only be assessed in terms of whether the financed measures have a high probability of achieving results, in the sense of intended outcomes.

³ This depends on the bilateral donors’ structures, however, and might only apply in a limited way to Germany due to institutional differences from other bilateral donors.

simplification of procedures and processes in relation to official bilateral agencies and its high core contributions to multilateral organisations. However, a higher outflow of funding via multilateral and civil society organisations could have likely increased the programme's relevance and economic efficiency even further.

Distribution modalities

The Emergency CSP funding was used primarily for six instruments: grants, fiduciary holdings, material goods, advisory support, financing contracts and loans. At a level of just under 58 per cent, grants made up the largest share by far, followed by fiduciary holdings at 19 per cent.⁴

These instruments are regarded as (especially) relevant and efficient. Grants are particularly suited to provide urgently needed resources in a crisis situation without increasing partner countries' levels of debt.

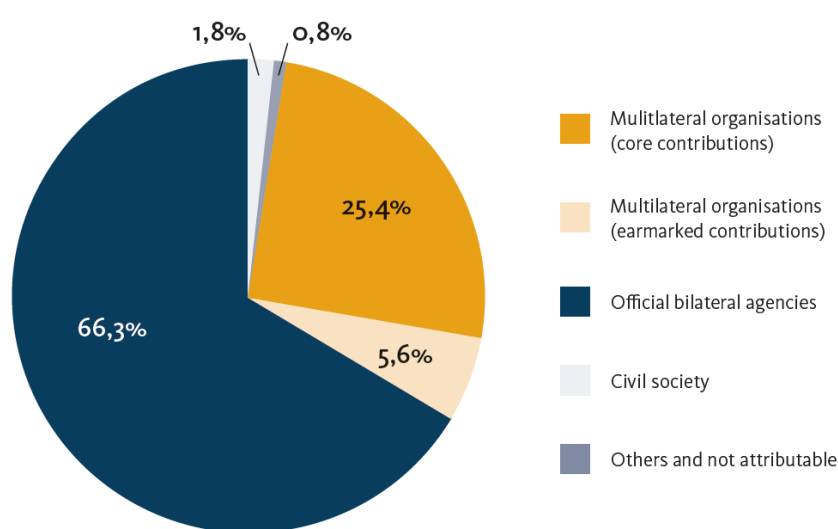
Based on the literature review, the evaluation rates the most frequently used instruments as very relevant and, with due consideration of the limited possibilities to verify efficiency in a portfolio review, as efficient.

Vulnerability and affectedness of the recipient countries

In a crisis like the COVID-19 pandemic not all partner countries need support to an equal degree. The vulnerability of countries in a crisis is a function of factors such as the state of the health system, high poverty rates or the level of funding received via development cooperation. The vulnerability as well as the health and economic affectedness resulting from the pandemic can be indicators of the level of measures needed to curb the consequences of the crisis. The relevance of the Emergency CSP therefore correlates with the vulnerability and affectedness of the recipient countries.⁵

No formal criteria pertaining to vulnerability and affectedness were applied during the process of distributing Emergency CSP funding to partner countries. Overall, only around half of the countries addressed by the Emergency CSP ranked (very) high for vulnerability,⁶ and some low-vulnerability countries also received large amounts of funding, Tunisia for example. Similarly, while the majority of the countries were severely affected economically, less affected countries such as Ethiopia also received a substantial share of funding.⁷

Figure 2 Funding distribution of the Emergency COVID-19 Support Programme



Source: DEval, own presentation based on MeMFIS data and PBS and BMZ monitoring data for the years 2020 and 2021

⁴ The percentage shares are only approximations, since one development cooperation project may involve several instruments.

⁵ In the portfolio review, only part of the Emergency CSP funding could be attributed to individual countries, as a substantial share of funding was allocated to regions or to several countries at once.

⁶ The well-regarded INFORM Risk Index maintained by the European Commission's Disaster Risk Management Knowledge Centre is a vulnerability index that ranks countries according to their risk of being reliant on international assistance in future. It contains indicators on disaster affectedness, vulnerability and disaster coping capacity.

⁷ Economic affectedness: change in per-capita gross domestic product (GDP) from 2019 to 2020. Health affectedness: numbers of cases and mortalities according to Johns Hopkins University (2020, 2021); and excess mortality calculations by the World Health Organization (2020, 2021).

The same picture emerges with regard to the health vulnerability of the countries' populations. A regression analysis confirms that there are no indications of correlation between the distribution of funding and the vulnerability and/or affectedness of the countries concerned. The Emergency CSP funding predominantly went to countries with which the BMZ already maintained close partnerships prior to the pandemic. It remains to be seen whether the vulnerable and affected partner countries that received less Emergency CSP funding obtained adequate funding from other donors or via multilateral distribution channels. Module 2 of the evaluation is expected to yield more findings on this matter.

Conclusions

The evaluation concludes that the distribution channels and instruments used within the Emergency CSP were well suited to a crisis response. The Emergency CSP fulfils or mostly fulfils the aspirations for relevance and efficiency, and exceeds them with regard to the relevance of the modalities of funding distribution.

In implementing the Emergency CSP, the BMZ focused on the rapid delivery of measures as well as close cooperation with

existing partner countries. At the same time, the BMZ simplified procedures and distributed funding using structures that were already in place. These same aspects were identified as success factors for the pandemic response in a synthesis report by the COVID-19 Global Evaluation Coalition (Johnson and Kennedy-Chouane, 2021).

The focus on pre-existing structures and partnerships nevertheless meant that funding also went to less vulnerable countries or countries who were less severely affected in terms of their economic system or population. To improve programme steering, vulnerability could have served as an additional criterion for decisions on the allocation of funding at the start of the Emergency CSP. Furthermore, the economic affectedness or health affectedness of a country's population could have been assessed over the course of the pandemic and could have served as a criterion for steering or adjusting the distribution of funding. The evaluation concludes that in future crises, the BMZ should emphasise more on the vulnerability and affectedness of recipient countries and, as time goes on, readjust emergency programmes according to appropriately defined criteria such as vulnerability and affectedness.

Literature

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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.