

OECD Development Assistance Committee Peer Review of Portugal

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Development Co-operation Directorate, January 29th 2016**

Outline of Presentation

- Understanding peer reviews
- Strengths of Portugal's development assistance
- Challenges and areas in need of progress

DAC Peer Reviews: What is their purpose?



- Learning (Peer-to-Peer)
- Accountability
- Advancing Reforms
- Enhancing Impact

DAC Peer Reviews: What do they assess?

1. Strategy, Policies and Vision
2. Comprehensive Effort
3. Aid Allocations
4. Organisation & Management
5. Delivery and Partnerships
6. Results and Accountability
7. Humanitarian Aid



DAC Peer Review of Portugal

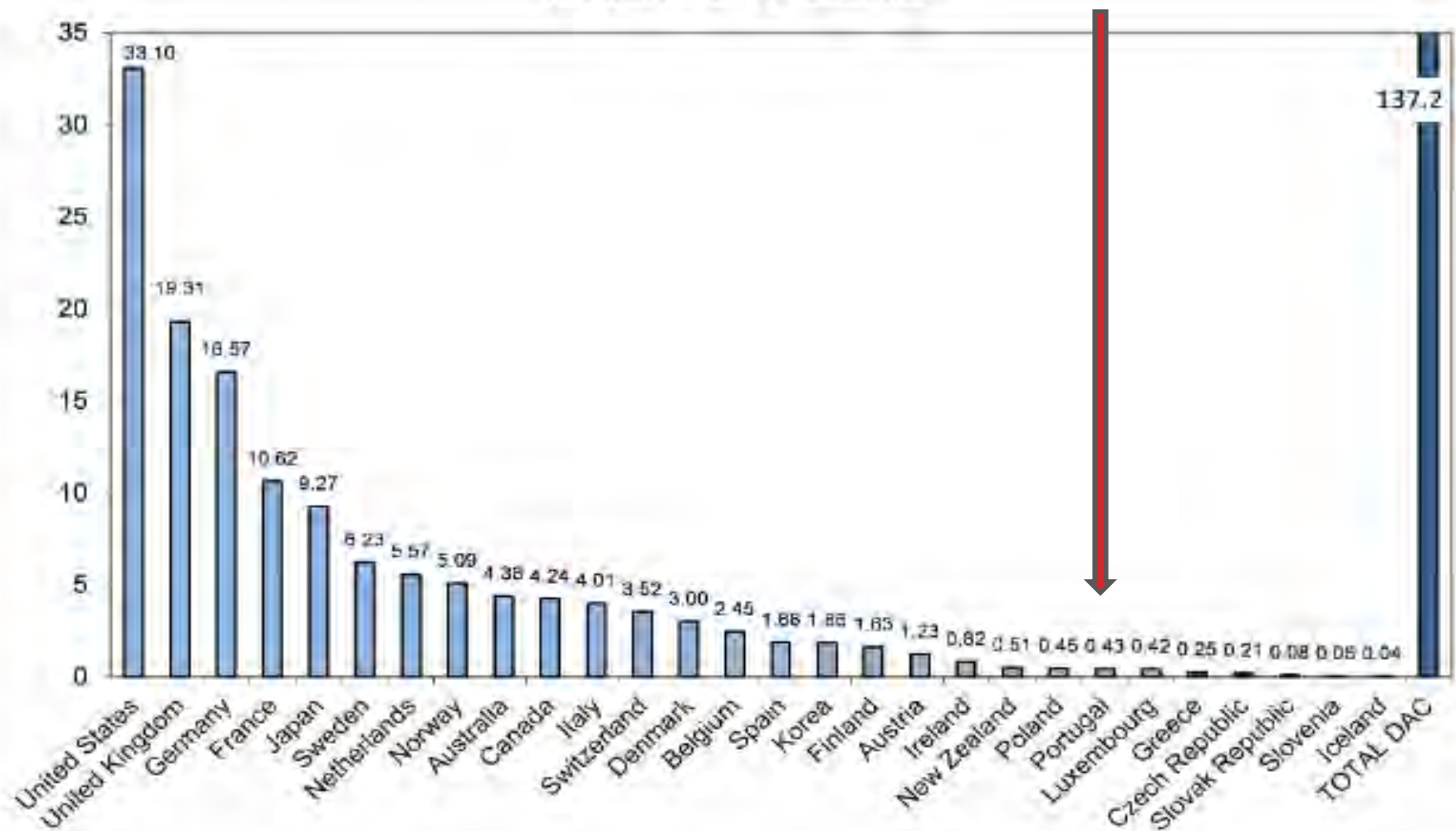
- Examiners: Luxembourg and the Czech Republic
- Missions: Lisbon and Sao Tome and Principe



Portugal's Development Co-operation in Context: OECD DAC Net ODA in 2014

USD billion

Net ODA in 2014 - amounts



Strengths of Portugal's Approach



1. Forward-looking strategic vision

- sustainable development alongside poverty
- call for more strategic partnerships based on shared responsibilities and mutual benefit

Strengths of Portugal's Approach:

2. Focused Aid Programme

Top Ten Recipients of Gross ODA (USD million)	
1 Cabo Verde	166
2 Mozambique	82
3 Morocco	29
4 Angola	24
5 Sao Tome and Principe	19
6 Timor-Leste	19
7 China (People's Republic of)	11
8 Guinea-Bissau	9
9 Brazil	6
10 Afghanistan	1
Memo: Share of gross bilateral ODA	
Top 5 recipients	82%
Top 10 recipients	94%
Top 20 recipients	95%

Strengths of Portugal's Approach

3. Strong whole-of-government approach

- Ability to draw on rich and diverse set of expertise and deliver a comprehensive approach, beyond ODA



4. High commitment to partner country ownership

- Aligned programmes
- Partners involved from design to evaluation of the programme

Challenges and areas in need of progress



1. Need for realistic plan to raise ODA levels

- ODA levels fallen in real terms by -14.9% since 2013
- Heavy reliance on concessional loans to make up the ODA budget in the absence of an increase in grants could see aid levels plummet even further in the future

Challenges and areas in need of progress

2. Need to re-examine the business model

- Camões I.P. still does not exercise oversight over half of Portugal's ODA extended by the Ministry Finance despite its mandate
- Limited capacity as a result of insufficient human resources and rigid recruitment produces
- Fundamental issue whether institute has realistic mandate

3. Need to untie aid

- 70% of Portuguese ODA tied / DAC average 14.3%

Conclusions

Portugal's development co-operation has a forward-looking vision, a tight geographic focus and a strong commitment to partner countries. These assets could be more effectively deployed if Portugal commits to increase its aid volume, untie its aid and improve the co-ordination and oversight of its development co-operation.

THANK YOU