

**Division 41  
Economic Development  
and Employment**

**Management of Development Cooperation**

**Development Cooperation of the  
Federal Republic of Germany**

**Concepts - Methods - Procedures  
Information for counterpart experts**



Deutsche Gesellschaft für  
Technische Zusammenarbeit (GTZ) GmbH

Division 41  
Economic Development and Employment

Management of Development Cooperation

**Development Cooperation of the  
Federal Republic of Germany**

Concepts – Methods - Procedures  
Information for counterpart experts

Eschborn 2003

3rd, completely revised edition  
(January 2003)

**Published by:**

Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH  
Postfach 5180, 65726 Eschborn

Division 41, Economic Development and Employment

**Editor:**

Bernd Förstner

**Translation team:**

John D. Cochrane, Sue Harrison

**Printed by:**

Universum Verlagsgesellschaft, 65175 Wiesbaden

Alle Rechte vorbehalten.

## Contents

	Page
List of Acronyms and Abbreviations	V
Foreword	1
<b>1. Principles, Criteria and Goals of German Development Cooperation</b>	<b>3</b>
<b>2. Activity Areas of German Development Cooperation</b>	<b>7</b>
2.1 Poverty Alleviation	7
2.2 Human Rights, Democracy and Gender Equality	8
2.3 Peace-Building and Crisis Prevention	9
2.4 Debt Cancellation	10
2.5 Environmental Protection and Sustainable Natural Resource Management	12
2.6 Private Sector Economy and Financial Systems	13
2.7 Foreign Trade and World Trade Order	15
2.8 Food and Agriculture	16
2.9 Education	17
2.10 Population and Health	19

<b>3. Regional Concentration and Definition of Priority Areas in German Development Cooperation</b>	<b>21</b>
3.1 Regional Concentration of German Development Cooperation	21
3.2 Definition of Priority Areas in German Development Cooperation	24
<b>4. Development Cooperation – Its Forms and Instruments</b>	<b>27</b>
4.1 Bilateral Cooperation	27
4.1.1 Financial Cooperation (FC)	28
4.1.2 Technical Cooperation (TC)	32
4.1.3 Knowledge and Learning for Development	33
4.1.4 Human Resources Cooperation	35
4.1.5 Promoting the Reintegration of Returnee Experts	36
4.2 Development Cooperation of the EU	37
4.3 Multilateral Cooperation	39
4.3.1 World Bank Group	39
4.3.2 International Monetary Fund (IMF)	41
4.3.3 United Nations	42
4.3.4 Regional Banks	42
<b>5. Germany's Development Cooperation Institutions</b>	<b>45</b>
5.1 Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung - BMZ (Federal Ministry for Economic Cooperation and Development)	45
5.2 Institutions for Official Development Cooperation	46
5.2.1 Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH	46
5.2.2 Kreditanstalt für Wiederaufbau (KfW)	48
5.2.3 Deutsche Investitions- und Entwicklungsgesellschaft mbH – DEG (German Investment and Development Company)	49
5.2.4 Deutsches Institut für Entwicklungspolitik – DIE (German Development Institute)	50

5.2.5	Deutscher Entwicklungsdienst – DED (German Development Service)	50
5.2.6	Internationale Weiterbildung und Entwicklung gGmbH – InWEnt (Capacity Building International, Germany)	50
5.2.7	Centrum für internationale Migration und Entwicklung (CIM)	52
5.2.8	Bundesanstalt für Geowissenschaften und Rohstoffe – BGR (Federal Institute for Geosciences and Natural Resources)	52
5.2.9	Physikalisch-Technische Bundesanstalt – PTB (Federal Institute of Physics and Metrology)	52
5.2.10	Deutscher Akademischer Austauschdienst – DAAD (German Academic Exchange Service)	53
5.2.11	Goethe-Institut Inter Nationes	53
5.3	Non-governmental Organisations in Development Cooperation	54
5.3.1	Political Foundations	54
5.3.2	Churches	55
5.3.3	Stiftung für wirtschaftliche Entwicklung und berufliche Qualifizierung – SEQUA (Foundation for Economic Development and Vocational Training)	55
5.3.4	Senior Expert Service (SES)	56
5.3.5	Other Private Organisations	57
5.4	Federal States ( <i>Länder</i> )	57
<b>6.</b>	<b>Bilateral German Development Cooperation – Its Procedures</b>	<b>59</b>
6.1	Government Consultations, Negotiations, Talks	59
6.2	The Course of Development Cooperation Projects	61
6.2.1	Preamble	61
6.2.2	Project Finding and Project Selection	61
6.2.3	Project Implementation	65
6.2.4	Evaluation of Project Implementation and Project Results	66
6.2.5	Overview: Course of FC and TC Projects	68
	Addresses of Key Development-Policy Institutions in the Federal Republic of Germany	71



## List of Acronyms and Abbreviations

AA	Auswärtiges Amt (Federal Foreign Office)
AfDB	African Development Bank
AGdD	Arbeitsgemeinschaft der Entwicklungsdienste (Association of Development Organisations)
AGEH	Arbeitsgemeinschaft für Entwicklungshilfe e.V. (Association for Development Cooperation)
AIDS	acquired immunodeficiency syndrome
AsDB	Asian Development Bank
AvH	Alexander-von-Humboldt Stiftung (Alexander von Humboldt Foundation)
BA	Bundesanstalt für Arbeit (Federal Employment Institute)
BDA	Bundesverband der Deutschen Arbeitgeberverbände (Confederation of German Employers' Associations)
BDI	Bundesverband der Deutschen Industrie (Federation of German Industries)
BGR	Bundesanstalt für Geowissenschaften und Rohstoffe (Federal Institute for Geosciences and Natural Resources)
BMWA	Bundesministerium für Wirtschaft und Arbeit (Federal Ministry of Economics and Labour)
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Federal Ministry for Economic Cooperation and Development)
CARDS	Community Assistance for Reconstruction, Democracy and Stabilisation
CDB	Caribbean Development Bank
CDF	Carl Duisberg Förderkreis (Carl Duisberg Advisory Board)
CDG	Carl Duisberg Gesellschaft e. V. (Carl Duisberg Society)
CDU	Christlich-Demokratische Union (Christian Democratic Union of Germany)
CEE	Central and Eastern Europe
CFI	Christliche Fachkräfte International
CIM	Centrum für Internationale Migration und Entwicklung

CSU	Christlich-Soziale Union (Christian Social Union)
DAAD	Deutscher Akademischer Austauschdienst (German Academic Exchange Service)
DAC	Development Assistance Committee
DED	Deutscher Entwicklungsdienst (German Development Service)
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH (German Investment and Development Company)
DFG	Deutsche Forschungsgemeinschaft (German Research Association)
DIE	Deutsches Institut für Entwicklungspolitik (German Development Institute)
DIHK	Deutscher Industrie- und Handelskammertag (Association of German Chambers of Industry and Commerce)
DSE	Deutsche Stiftung für Internationale Entwicklung (German Foundation for International Development)
EBRD	European Bank for Reconstruction and Development
EDF	European Development Fund
EED	Evangelischer Entwicklungsdienst (Church Development Service)
EU	European Union
FAO	Food and Agriculture Organization
FC	Financial Cooperation
FCCC	Framework Convention on Climate Change
FDP	Freie Demokratische Partei (Free Democratic Party)
FES	Friedrich-Ebert-Stiftung (Friedrich Ebert Foundation)
FNS	Friedrich-Naumann-Stiftung (Friedrich Naumann Foundation)
GDR	German Democratic Republic
GEF	Global Environment Facility
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
HBS	Heinrich-Böll-Stiftung (Heinrich Böll Foundation)

HIPC	highly indebted poor country
HIV	Human Immunodeficiency Virus
HSS	Hanns-Seidel-Stiftung (Hans Seidel Foundation)
IBRD	International Bank for Reconstruction and Development
ICSID	International Center for the Settlement of Investment Disputes
IDA	International Development Association
IDB	Inter-American Development Bank
IE	integrated experts
IFAD	International Fund for Agriculture Development
IFC	International Finance Corporation
IIC	Inter-American Investment Corporation
IMF	International Monetary Fund
InWEnt	Internationale Weiterbildung und Entwicklung gGmbH (Capacity Building International, Germany)
ISPA	Instrument for Structural Policies for Pre-accession
KAS	Konrad-Adenauer-Stiftung (Konrad Adenauer Foundation)
KfW	Kreditanstalt für Wiederaufbau
KZE	Katholische Zentralstelle für Entwicklungshilfe (German Catholic Central Agency for Development Aid)
LDC	least developed country
MIGA	Multilateral Investment Guarantee Agency
MSTQ	measuring, standardisation, testing, quality control
NIS	newly independent states
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PDS	Partei des Demokratischen Sozialismus (Party of Democratic Socialism)
PHARE	Programme of Assistance for Economic Restructuring in the Countries of Eastern Europe
PPP	public-private partnership
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper

PTB	Physikalisch-Technische Bundesanstalt (Federal Institute of Physics and Metrology)
RLS	Rosa-Luxemburg-Stiftung (Rosa Luxemburg Foundation)
SAPARD	Special Accession Programme for Agriculture and Rural Development
SDR	Special Drawing Rights
SEQUA	Stiftung für wirtschaftliche Entwicklung und berufliche Qualifizierung (Foundation for Economic Development and Vocational Training)
SES	Senior Expert Service
SME	small and medium-sized enterprise
SPD	Sozialdemokratische Partei Deutschlands (Social Democratic Party of Germany)
STD	Sexually Transmitted Disease
TACIS	Technical Assistance to the Community of Independent States
TC	Technical Cooperation
ToR	terms of reference
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNIDO	United Nations Industrial Development Organization
WFD	Weltfriedensdienst (World Peace Service)
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization
ZAV	Zentralstelle für Arbeitsvermittlung der Bundesanstalt für Arbeit (Central Placement Office)

ZdH	Zentralverband des Deutschen Handwerks (German Confederation of Small Businesses and Skilled Crafts)
ZOPP	Zielorientierte Projektplanung (objectives-oriented project planning)

## Foreword

The Federal Republic of Germany has been supporting partner countries with developing economies within the scope of its development cooperation for more than four decades. Annual German inputs of Official Development Assistance<sup>1</sup> surpass €5 billion (the figure for 2000 was €5.458 billion). This makes Germany the third-largest donor country after Japan and the USA.

To ensure that these relatively high amounts of funds are used expediently, efficiently and in a targeted manner, a comprehensive system of public, parastatal and private institutions has become established in Germany over the course of the years, involving highly specific, and often rather complicated procedures. For partner countries, this means that they have more than just one point of contact on the German side. To fully utilise the multiple potentials of German development cooperation, they require information on the various focal promotion areas, institutions and procedures.

Most recipient countries cooperate with numerous bilateral and multilateral donor organisations. In order to make the most efficient use of the funds provided by foreign countries for their own country's development, partner-country institutions involved in managing this foreign support need information on all the major donor countries and multilateral institutions.

The present publication, therefore, primarily targets partner-country experts responsible for planning and managing development cooperation. It is designed to provide them with an overview of the content, concepts, institutions and procedures involved in German cooperation for development.

Key sources of information for this brochure were *Medienhandbuch Entwicklungspolitik 2002*, published by the Federal German Ministry for Economic Cooperation (BMZ), and publications issued by other German development cooperation institutions.

---

<sup>1</sup> Official Development Assistance (ODA) as defined by the Development Assistance Committee (DAC) of OECD.



## 1. Principles, Criteria and Goals of German Development Cooperation

Humankind is a global community of responsibility. No part of the world can secure a sustainable future for itself without the others. Development problems generate impacts that extend beyond the local context in which they emerge, and affect the regional or even global situation. Environmental pollution, for instance, knows no boundaries or borders; in the long run, all are affected. One of the reasons why support is provided for socially and ecologically sound development is therefore always rational self-interest.

German development cooperation is guided by the following principles:

***Structural policy:*** Development policy is seen as global structural policy. It seeks to shape globalisation, utilising the opportunities and minimising the risks that globalisation offers. In many contexts, this requires structural change. Global structural change also means local structural change, in other words structural change in developing and industrialised countries alike.

***Sustainability:*** A further key principle of German development cooperation is sustainability. Development projects and programmes are designed to generate impacts or structures that will continue without external inputs once promotion has come to an end, i.e. they should provide help towards self-help. To this end, the ecological and social impacts of projects must be carefully analysed. Above all, however, projects must be accepted as legitimate by the target groups, otherwise all efforts will be doomed to fail.

***Crisis prevention:*** Preventing wars is not only more humane, but also far more economical than supporting countries in post-conflict reconstruction. Development cooperation therefore always seeks to help create frameworks conducive to peace and security. Development success in turn helps de-escalate or prevent conflicts.

***Priority areas of cooperation:*** In future, the German Government will be reducing the number of countries with which it cooperates on a bilateral basis. This new streamlining of cooperation is designed to help improve the coordination and harmonisation of bilateral and multilateral development cooperation and of EU development policy. In 38 priority partner countries and 32 partner countries, projects and programmes

that might also serve as examples for other countries in the regions will be supported in future. High priority will also be attached to promoting cooperation between countries.

***Coherence:*** Development policy is a cross-cutting task of German policy as a whole. Consequently, care is taken to ensure that other areas of national policy do not conflict with the development-policy mandate, or with the goals of global structural policy.

In the design of country policies by the Federal German Ministry for Economic Cooperation and Development (BMZ), in donor coordination, and in development-policy dialogue with partner governments, German development cooperation applies the following five criteria:

- respect for human rights,
- the rule of law and legal certainty,
- popular participation in the political process,
- an economic order oriented towards a social market economy and
- government action oriented towards development.

Development policy helps secure a joint future for all. Its key aim is therefore to create conditions conducive to a life of dignity and to reduce poverty. Development cooperation supports processes designed to help improve political, economic, social and ecological conditions:

***Improving political frameworks:*** Key to successful and sustainable development is the will to pursue good governance. Respect for human rights, democracy, the rule of law, participation by civil society, and gender equality are considered part of the development process.

***Improving economic frameworks:*** Institutional stability and economic growth are basic preconditions for a country's economic progress. This includes structural adjustments at the national level, designed to enable small and medium-sized enterprises to thrive economically. Yet at the international level too, we need to regulate world trade and construct an architecture of international finance and trade to ensure that developing countries do not become globalisation's losers.

***Improving social structures:*** Only improved social structures will lead to a situation in which a society's underprivileged groups also profit from economic growth. Basic social services are therefore a key

development-policy objective. These include adequate medical care, opportunities for education and training, and social security systems.

***Improving ecological structures:*** Safeguarding the common natural resource base on which life depends is in the interests of all humankind. Time and time again, natural disasters such as flooding and drought demonstrate that anthropogenic impacts on the natural environment are becoming a devastating problem. Protection of that environment is therefore always an integral objective of development projects and programmes.

Development cooperation is not a task for the state alone, it is a challenge for society as a whole. Both within Germany and in cooperating countries, BMZ not only works with governmental executing organisations, but also incorporates non-governmental institutions such as political foundations and churches into its development cooperation activities. Cooperation with the private sector also makes a major contribution to economic and social development. German development policy is increasingly promoting business cooperation, for instance through twinning arrangements involving trade associations, and chambers of industry and commerce.



## **2. Activity Areas of German Development Cooperation**

### **2.1 Poverty Alleviation**

Mass poverty in developing countries<sup>2</sup> is the root of many other global risks and hazards which aggravate poverty and generate further undesirable living conditions. Poverty and inequality cause social unrest and political destabilisation, and ultimately jeopardise world peace. Consequently, they are amongst the fundamental problems we face at the beginning of the new millennium. The principles of justice, social responsibility and reason make it imperative for us to reduce the gap between rich and poor. Against this background, in the United Nations Millennium Declaration issued in September 2000, heads of state and government undertook to halve extreme poverty worldwide by the year 2015.

In its Programme of Action 2015, the German Government declared poverty reduction to be a major component of its overall policymaking, guided by the vision of sustainable development. Since poverty is a structural problem, the response must involve structural reforms. These include first and foremost the political will on the part of governments in developing countries, and within the international community, to vigorously pursue poverty reduction. The German Government attaches priority to supporting measures designed to reform international and national frameworks. In so doing, it aims to help bring about pro-poor changes in regulatory mechanisms and institutions, to provide the poor with access to resources, to systematically raise the political profile of poverty-related issues and to promote political participation by the poor. Poverty alleviation rests on the twin principles of participation and self-help. Poor people must be given an opportunity to develop their creative and productive capabilities. Promoting an efficient and effective economy that helps poor sections of the population gain access to employment and income-generating opportunities is a key element of poverty alleviation. Conversely, harnessing the potentials of the poor injects vitality into the economy, and fosters economic development.

---

<sup>2</sup> There is no standard definition of the term "developing countries". Hence there is no standard international list of developing countries. The United Nations, the World Bank and OECD's Development Assistance Committee (DAC) apply similar criteria (chief amongst which is per capita income) in their respective definitions, but prioritise the criteria differently. Germany orients its cooperation towards the OECD-DAC list of recipient countries).

Instruments for poverty alleviation include dialogue with governments and civil societies, advisory services for system development and for appropriate institution- and capacity-building, and specific pro-poor projects and programmes. Some of these measures impact on the poor directly, while others take a less direct route. All German development cooperation projects are classified according to the nature and extent of their poverty orientation. Currently, around 60% of bilateral cooperation projects are largely poverty-oriented (planning figures as at 2002).

## **2.2 Human Rights, Democracy and Gender Equality**

Good governance is key to development progress. It encompasses the protection of human rights, guarantee of the rule of law and legal certainty, and the promotion of democracy and political participation by civil society.

Every year, the German Government provides some €100 million for projects to promote human rights and democratic structures within the scope of bilateral development cooperation. Among other things, these projects focus on supporting processes of judicial reform, decentralisation and administrative reform. They also promote governmental and non-governmental human rights organisations, children's rights, and gender equality. Since 1991, support has been provided to more than 220 projects delivering legal advisory services or promoting legal certainty, for instance. Current activities include projects to promote decentralisation worth around €82 million, other projects for administrative reform worth €36 million, as well as legal and judicial reform projects worth €41 million. In 1998/1999, new options were created to promote human rights projects of national non-governmental organisations.

In this context, the German Government also supports the development work of political foundations and church-based development institutions. The key objectives of these organisations include the promotion of human rights and democratic structures. Corresponding projects are being implemented in virtually all German development cooperation's partner countries. The work of the foundations is largely devoted to the creation and strengthening of civil society structures (e.g. trade unions and self-help organisations).

Equal participation by men and women in decision-making and social development processes is an overarching goal of all development

cooperation work. At the same time, however, projects are implemented which specifically aim to help dismantle legal discrimination against women, increase their influence on political decision-making, and raise their social and economic status. Between 1995 and 2000, the German Government provided around €45 million for legal and social policy advisory services to promote the interests of women. Advisory inputs were delivered to governments who wished to modernise their legal system by taking greater account of gender equality, for instance. Grass-roots groups were also supported in their information and education activities, and in their lobbying and advocacy work. Within the scope of its Programme of Action 2015, Germany will also be continuing these aspects of its development cooperation in the future. Support will be provided to women's networks and NGOs, for instance, in order to help women make further progress towards gaining equal influence within political processes. These measures aim to help empower women to shape processes of economic and social development in their respective countries, and reap the benefits of those processes on an equal basis.

### **2.3 Peace-Building and Crisis Prevention**

The structural causes of conflicts are often economic and social inequality, in conjunction with environmental degradation and scarce resources, further compounded by population growth. Inadequate democratic structures, a lack of peaceful conflict resolution mechanisms, absence of the rule of law, the destruction of social and cultural identities, and human rights violations often lead to these conflicts erupting in violence. Since conflicts are an integral component of societies, the aim must be to strengthen societies' capabilities for constructive and peaceful management of these conflicts.

Within the scope of Germany's overall strategy for peace-building and crisis management, development cooperation is mandated to help improve the economic, social, ecological and political conditions in project countries, with a view to preventing or reducing the structural causes of conflicts, and to help promote mechanisms for peaceful conflict management. To achieve these objectives, support is provided to projects that strengthen civil society, democracy and the rule of law, promote regional and international networking, strengthen institutional capacities in the economic and financial sector, and promote sustainable natural-resource management, for example.

In addition to its crisis prevention activities, Germany also provides considerable inputs to disaster mitigation within the scope of its emergency aid. In recent years, the number of disasters and people affected by them has risen dramatically worldwide. Due to high population densities and over-utilisation of soils, natural disasters such as earthquakes, cyclones or floods are causing increasing levels of damage. The number of armed conflicts also continues to grow, and often destroy hard-won development results. An increasing volume of development cooperation funding is being used for measures to repair the damage done by armed conflicts and natural disasters – funds which would otherwise have been channelled into the true task of development, which is to build sound structures for sustainable development.

BMZ's food, emergency and refugee aid seeks to help create a smooth and gradual transition from humanitarian assistance to reconstruction and sustainable development that will ultimately become self-supporting. The boundaries between the various phases – humanitarian assistance, development-oriented emergency aid, rehabilitation and disaster mitigation – are blurred, and corresponding activities often overlap.

BMZ's food, emergency and refugee aid comprises measures that are not designed purely to help people survive, yet which do not satisfy strict criteria of sustainability. These measures aim to help create a minimum level of basic social services for affected persons, and re-establish an elementary infrastructure. This is designed to help strengthen self-help capabilities so that emergencies can be overcome, and the major knock-on effects of disasters mitigated. Measures are usually of a short-term nature, but are designed such that they also generate structural impacts, and can be directly and smoothly linked to rehabilitation activities serving as a preliminary stage of longer-term development cooperation. In the year 2000, BMZ made available €69 million for food, emergency and refugee aid, the largest portion of which was provided for measures in sub-Saharan Africa (€44.3 million).

## **2.4 Debt Cancellation**

The domestic savings made by developing countries are not usually sufficient to finance their investment requirements. Developing countries therefore need access to credit markets. This includes both loans from public development cooperation, and commercial and other private credit. Indebtedness per se therefore need not be seen in a

negative light. For many countries, however, foreign indebtedness has become a severe constraint to development. This is because credits have often been employed consumptively rather than for investments, due to the fact that world market prices for the export goods of the borrowing countries have fallen by about half over the last 25 years, and in particular because international interest rates were very high during the 1980s.

The developing countries are currently carrying a foreign indebtedness burden of around US \$2.5 billion. The indebtedness problem is at its most severe in the "heavily indebted poor countries" (HIPCs), most of which are located in Africa (with some in Latin America and a small number in Asia). In these countries, average indebtedness in 1999 was equivalent to 326% of export earnings. Here, debt service payments are crowding out expenditure on poverty alleviation, education and health, and by doing so are causing serious social problems. To give the HIPCs a chance to make a fresh start, this intolerable level of indebtedness needs to be significantly reduced.

Following an initiative launched by Germany at the Cologne Summit in June 1999, the G8 states put forward a proposal to extend and accelerate debt cancellation for the HIPCs. That proposal was adopted by the international donor and creditor community at the annual meeting of World Bank and the International Monetary Fund (IMF) in September 1999. This decision opened the door to debt relief for a large number of poor countries. At the same time, the ceiling on debt cancellation was raised (the current figure is 90%). It is anticipated that, after debt cancellation, these countries will need to spend an average of less than 10% of their annual export earnings on debt service. The current figure ranges from 15% to 25%.

The German Government's decision to cancel 100% of the debts of HIPCs means that Germany's share of debt relief has risen to approximately €5.1 billion. Some €3 billion of this is accounted for by commercial debts of 29 countries, including remaining debts owed to the former GDR. Approximately €2.1 billion is accounted for by debts arising from Financial Cooperation. The German Government will also pay €76.7 million into the World Bank's Trust Fund to support the multilateral creditors. Some further €255 million is accounted for by Germany's share of the EU contribution of around €1 billion.

## 2.5 Environmental Protection and Sustainable Natural Resource Management

Environmental damage and the degradation of natural resources have reached considerable proportions, and in some cases have gone beyond the threshold of viability. Within the scope of its bi- and multilateral development cooperation, Germany implements a wide array of measures to control environmental degradation and to promote sustainable natural resource management.

Germany participates in *climate protection* inter alia by helping shape international agreements. The Framework Convention on Climate Change (FCCC), for instance, seeks to incorporate developing countries' interests in economic and social development into international climate protection measures. Through a Technical Cooperation programme designed to promote FCCC implementation, the German Government delivers targeted support to developing countries implementing corresponding activities. Germany supports developing countries inter alia in conducting an inventory of their greenhouse gases, in ascertaining their vulnerability to climate change, in designing their strategies for response, in human and institutional capacity-building for improved integration of climate protection into ongoing development efforts, and in implementing the Clean Development Mechanism, which was agreed in the Kyoto Protocol. Since the year 2000, the industrialised countries have been able to discharge part of their national obligations through "climate-friendly" investments in developing countries under this mechanism. The developing countries in turn then profit from an increased inflow of foreign capital and expertise.

German development cooperation also provides significant financial and technical inputs to help strengthen climate protection capacities within multilateral organisations. Germany is the third-largest donor to the Global Environment Facility (GEF), the financing mechanism of the FCCC, for instance. Between 1991 and 2001, GEF contributed US \$1.3 billion to climate protection projects.

The second-greatest ecological threat after climate change is posed by the *freshwater crisis*. The deteriorating water situation is threatening humans and the natural environment alike, and carries with it a risk of violent conflict. More than 30 countries are currently threatened by acute water scarcity. German development cooperation projects promote water supply measures in transboundary watersheds, groundwater reservoir prospecting activities, and the protection and conservation of rivers and

lakes, for instance. Germany is the second-largest donor in the water sector worldwide. Ongoing projects and programmes in the sector are currently being supported to the tune of €3.5 billion.

In order to supply more people with **energy** obtained on an ecologically sustainable basis, Germany supports the application and dissemination of sustainable and decentralised power generation technologies. In this context, priority is attached to the use of renewable energy sources. More efficient power generation and more rational use of energy are also promoted.

Since 1985, Germany has supported around 300 projects in which partner countries have sought to protect and sustainably manage **biodiversity**. These also include several supra-regional sector projects that have developed and tested innovative instruments on a pilot basis. Germany is also actively involved in the international process to further develop and implement the Convention on Biological Diversity, as well as other related international agreements, such as the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Activities to control **land degradation** have been a major activity area of German bilateral cooperation for many years. Areas of promotion include sustainable natural resource management at the local level, human and institutional capacity-building, and the participatory design of National Action Programmes. Worldwide, Germany is currently helping implement some 250 projects worth a pledged total of €1.43 million. Most of these are in Africa, and involve erosion control, agroforestry, land resource management, sustainable water management, or rural development.

## **2.6 Private Sector Economy and Financial Systems**

The promotion of private-sector economic development is a key cross-sectoral focus of both German and international cooperation for development. German development cooperation has now become more strongly oriented towards private-sector promotion than in previous years. This is because a functioning private sector organised under market economy conditions is a key factor for poverty alleviation. Cooperation with Germany's private sector is also playing an increasingly important role. BMZ's policy is to support the self-reliant efforts of partner countries to build a responsible market economy. Support is

provided for relevant measures at the governmental, institutional and enterprise levels.

In close consultation and coordination with other donors – especially the World Bank – the German Government delivers advisory services to partner governments on the design and implementation of ***economic reforms***. In recent years, these government advisory services have been extended to cover an increasing number of policy fields and actors, and have thus grown into a comprehensive policy advice service. These services reach a large number of society's key policymakers, for instance in the policy fields of environmental protection, energy, water supply and sanitation, telecommunications, fiscal systems, or agriculture. The design of foreign trade policy plays a particularly important role.

A functioning market economy crucially depends on independent, capable and financially secure ***self-regulating self-help organisations in the private sector***. Intermediary organisations such as chambers or associations provide enterprises with access to economically relevant information, financing options, physical infrastructure and appropriate training, and thus enhance the potentials for private-sector initiatives to thrive. In cooperation with German chambers of industry and commerce and with trade associations, the German Government promotes self-regulating self-help organisations in the private sector of developing countries and transition countries (Central and Eastern Europe, South-Eastern Europe, Central Asia). The basic aim of these twinning arrangements with chambers and associations is to strengthen the capacities of these institutions in their dual role as providers of income-generating services to enterprises, and as pressure groups representing the interests of small and medium-sized enterprises vis-à-vis the policymaking bodies of the partner countries concerned. Germany thus helps strengthen the performance capability and competitiveness of small and medium-sized enterprises. By so doing, it also makes an overall contribution towards consolidating the economic strength of the country concerned, and towards poverty reduction.

Measures to directly promote ***individual enterprises*** are usually implemented within the scope of public-private partnerships (PPPs) for development. These measures are designed both to serve the interests of the participating German, European and/or project country enterprise(s) and to generate development benefits. Due to the firms' own interest in the long-term economic success of "their projects", these enterprises are willing to commit their own resources, i.e. capital, human resources, expertise etc., to the project.

Germany also supports its partner countries in establishing and developing an *infrastructure for research and technology*. It promotes technology centres, research institutes, technical testing centres (e.g. for conformity tests), standardisation, trade fair participation, artisanal industries and the exchange of information, for instance. These promotion activities aim to help improve the technological expertise, the development and dissemination of appropriate technologies, and the competitiveness of the countries concerned. Within the scope of pilot programmes, they also support the development and application of processes and products tailored to the specific conditions prevailing in project countries, and designed to help conserve those countries' natural resources.

The national *financial system* is the nerve centre of any national economy. It marks the point of confluence of the impacts of monetary and fiscal policy. Financial crises have generated considerable setbacks to economies. Financial system development, on the other hand, seeks to strengthen economies from within, and targets not only banking systems, but all financial institutions, markets and instruments, as well as economic policy frameworks and standards in the financial domain. German promotion measures play a role in creating efficient, independent central banks and capable bank supervisory authorities; they also help facilitate liberalisation and deregulation, consolidate competitiveness, open up the financial sector to new financial institutions (e.g. exchanges) and develop these institutions. To complement these measures aimed at strengthening institutions of the formal financial system, Germany also promotes decentralised financial institutions in the informal and semi-formal sector, especially those founded on the self-help of their members.

## **2.7 Foreign Trade and World Trade Order**

The development of foreign trade is key to the economic and social development of the developing countries. For these countries, the aim of gradual integration into the world market is not only to generate higher foreign exchange earnings by increasing exports. Integration also means the accumulation of knowledge and the import of technology, which raises productivity and in the medium term allows greater prosperity to be achieved. Having said that, for structurally weak countries in particular, opening up to the global economy also means greater vulnerability to fluctuating world market prices, and often entails short-term adjustment costs. In the long term,

though, these arguments are outweighed by the social benefits of liberalising foreign trade. This liberalisation is therefore an absolutely essential component of a modern strategy for development.

The extent to which developing countries profit economically from integration into the world market remains crucially dependent on whether the industrialised countries are willing to open up their markets to imports from the South, and to refrain from unfair competitive practices and subsidies. The European Union shoulders a great deal of responsibility here, as it imports 18% of the exports of all developing countries, and 32% of those of the least developed countries (LDCs). Through its "everything-but-arms" initiative, the EU has largely opened up its markets to imports from LDCs and is encouraging the other industrialised nations to take the same step. In the context of the German Government and the EU, BMZ consider it a key task to further open up the European trade regime to imports from developing countries, especially from LDCs.

With regard to integration of the developing countries into the World Trade Organization (WTO), the German Government supports the interests of its partner countries within the WTO system, and advises them on preparations for WTO accession and on implementation of the relevant regulatory frameworks.

## **2.8 Food and Agriculture**

Worst afflicted by food insecurity are people in parts of Asia and sub-Saharan Africa. Although progress has been made over the last three decades – the proportion of the world's population going hungry has been reduced from 37 to 18% – both Asia and sub-Saharan Africa have experienced an increase in the number of people with inadequate access to food. And according to forecasts, the situation in the affected regions of Africa will become even worse in the years to come, with more than 50% of the population expected to go hungry.

Agriculture plays a key role in food security, poverty alleviation and the conservation of natural resources. The lives of the vast majority of people in developing countries depend directly or indirectly on agriculture. Agriculture is the driving force behind economic growth, and makes a major contribution towards the Gross National Product of the countries concerned.

The link between food production and food security is an obvious one. Yet agriculture is also a key provider of jobs, including jobs in upstream and downstream sectors of the economy. Amongst others, these sectors include the supply of agricultural implements and inputs, the delivery of extension and veterinary services, for example, and the processing and marketing of primary produce.

The promotion of rural development is one of Germany's top-priority activity areas. Rural development means much more than just agriculture. Rural regions are home to between 70% and 80% of the population in developing countries, and to 75% of the people living in absolute poverty. Characteristic features of the lives led by the vast majority of these people include low income (or no income at all), undernourishment, low educational status, and inadequate access to social services. Guided by the vision of realising the right to food and development for all, and founded on sustainable natural resource management, German development cooperation pursues a comprehensive system- and process-oriented approach.

Measures to promote rural development aim to intensify support for agrarian reform processes, strengthen the market orientation of agricultural production, develop markets for purchasing and selling, improve access to needed services, and promote participation by the rural population in socio-economic decision-making processes, for instance.

## **2.9 Education**

Promoting education remains a key area of German bilateral development cooperation. Promotion activities cover basic education, adult education and tertiary education.

***Basic education*** is a key prerequisite for social, economic, political and ecological development. International research has demonstrated that elementary schooling already increases the productivity of people in all sectors, and thus makes a direct contribution to poverty alleviation. Basic education transfers knowledge, and equips learners with a rational understanding of processes in their natural environments and lifeworlds. Impacts include a lower birth rate and lower infant mortality, and thus reduced population growth, as well as impacts on the health and educational status of the population. Important areas of promotion

include improving education policy and strengthening school management and administration. Key to improving the quality of basic education are teacher training, the supply of appropriate teaching aids, the promotion of mother-tongue or bilingual instruction, and the application of a curriculum designed to help enable learners cope better with the challenges of daily life (e.g. instruction in the natural sciences, introduction of practice-oriented subjects). To help develop the institutional capacities capable of responding to the challenges of the modern, globalised world, promotion is increasingly being focused on decentralised innovations at the local school level that are financed by local authorities and the institutions themselves. In the year 2000, Germany provided €33.7 million to help improve basic education within the scope of bilateral development cooperation.

In the field of **adult education**, Germany promotes both non-formal education (predominantly basic education for adults) and formal vocational training. The latter primarily takes place within the scope of projects and programmes for vocational training policy and planning oriented towards public-private partnership mechanisms. BMZ also supports measures to improve vocational training practice within training institutions and is increasingly linking these activities to business promotion measures, such as start-ups and small-scale credit delivery mechanisms. Alongside the traditional task of expert training at various levels, the promotion of educational institutions and training measures for target groups in the informal sector are also gaining higher priority. In the year 2000, BMZ made a total of €103 million available for adult education (€72 million of which was for vocational training).

Promotion of **tertiary education** aims to help enable higher education institutions make a significant contribution to national development in their capacity as centres of education and of the cultural and economic life of their respective countries. Support focuses on inter-university networking and on networking universities with development actors. As far as possible, this networking should form an integral component of cooperation in the priority areas agreed on with the countries concerned. Promotion focuses on research that is relevant to development, and on consultancy and service functions – also in relation to development projects. To this end, within the scope of bilateral development cooperation, the German Government particularly supports those subject areas that reflect the priorities of that cooperation. As well as delivering systemic advisory inputs and institutional capacity-building measures, Germany also supports teacher training and educational

cooperation arrangements with German higher education institutions. In 2000, some €27 million was made available to promote the tertiary education sector.

## **2.10 Population and Health**

Traditionally, development cooperation has paid close attention to the problems of population development. Since the earlier family planning programmes with their one-sided focus on reducing birth rates were considered to have largely failed, the International Conference on Population and Development held in Cairo in 1994 adopted the term "reproductive health". This term encompasses all areas of health linked to sexuality and reproduction, i.e. sexual information and education, family planning, pre- and perinatal care, prevention of STDs, treatment of reproductive disorders, sexual and reproductive self-determination, and protection against sexual violence. It has since been demonstrated that when this comprehensive approach is applied, optimal results can also be achieved in terms of reduced birth rates.

German development cooperation applies the reproductive health strategy in its projects and programmes. To this end, German funding is being supplied to help implement around 100 projects in over 60 countries. Between 1994 and 2000, the German Government provided €447.7 million for bilateral cooperation in this field. This figure was, and continues to be, supplemented by funds provided to support multilateral programmes.

German development cooperation intends to integrate reproductive health measures into its general health-sector activities. The health sector has long been a focus of German development cooperation. Key areas are: the development of medical infrastructure – chiefly to improve primary health care in rural regions and peri-urban zones; the construction of, and supply of equipment to, district hospitals; the prevention and control of mass diseases such as tuberculosis, malaria and polio; HIV/AIDS control; and the training of medical staff. As 2000 drew to a close, BMZ had provided around €1.98 billion to support relevant projects.

In this context, special significance is attached to direct and indirect HIV/AIDS control. The disease has spread particularly rapidly in developing countries. Almost 95% of infected persons live in developing countries, over three-quarters of them in sub-Saharan Africa. In some of

the countries concerned, between 10% and 20% of the population are already infected with the virus; in some cases, the disease has completely destroyed the economic and social progress achieved over the last 20 years. On the one hand, Germany promotes projects designed exclusively and directly to control HIV/AIDS. On the other hand, HIV/AIDS control is also an integral component of numerous projects and programmes for primary health care and family planning.

### 3. Regional Concentration and Definition of Priority Areas in German Development Cooperation

#### 3.1 Regional Concentration of German Development Cooperation

Bilateral development cooperation one of BMZ's key instruments. Through it, Germany seeks to realise its goal of helping shape global structural policy through concrete measures at country level. There are currently 146 developing countries as defined by OECD. In past years, Germany has promoted 118 countries through official bilateral development cooperation. Germany intends to raise the significance, effectiveness and sustainability of its development cooperation through improved networking of bilateral, multilateral and EU development policy. In this context, official bilateral cooperation will be reduced and focused on a total of 70 cooperation countries (broken down into "priority partner countries" and "partner countries" – see schedule below).

Taking into account the principles and goals of German development policy (see Sect. 1), BMZ selects the cooperation countries according to their social, economic, political and ecological development objectives. To this end, an analysis and evaluation of the cooperation countries of the past was conducted. Criteria for selection of the present and future cooperation countries are:

- the need for cooperation in the context of Germany's economic, social, ecological and political co-objectives and co-interests;
- Germany's capability to deliver relevant inputs for development;
- the inputs of other bilateral and multilateral donors, and
- the general conditions prevailing within the partner country.

With respect to the scope and nature of development cooperation with the countries thus selected, a further distinction is drawn between priority partner countries and partner countries. In ***priority partner countries***, the entire range of German development-policy instruments are to be deployed – where possible in only three priority areas. Depending on the intensity of cooperation, country papers have already been prepared for most of these countries; they still have to be drawn up for a few countries. By contrast, development cooperation with the ***partner countries*** plans, where possible, to focus on one particular area of work.

Country papers form the basis for country-specific realisation of the development-policy goals in cooperation with the priority partner countries. The country paper identifies the priority areas of development cooperation with the country concerned on the basis of that country's core problems and development potentials; its political, legal, ecological, socio-economic and socio-cultural framework conditions; its goals and activities; experiences in cooperation to date; Germany's development-policy priorities; and last but not least the comparative advantages of German development cooperation.

Realistically speaking, concentration on just a few priority areas can only be achieved in the long term and in close coordination with the cooperation countries concerned, as well as with other donors. This concentration must therefore be viewed as a process which will take some time. Ongoing development cooperation projects will remain unaffected by this process of concentration. They will be completed as planned.

The classification of a country as a priority partner country or partner country does not in any way determine the scope of future promotion funding by BMZ. The difference lies solely in the programmatic approach and in the intensity of cooperation. The promotion of regional cooperation activities between promoted countries, and the support of regional organisations on the various continents, will remain priorities.

The table below provides an overview of Germany's current priority partner countries and partner countries:

## Cooperation Countries<sup>1)</sup>

(as at June 2002)

	<b>Priority partner countries</b> (selection – if possible – of only three priority areas)	<b>Partner countries</b> (selection – if possible – of only one priority area)
CEE/NIS	Albania <sup>2)</sup> , Bosnia and Herzegovina <sup>2)</sup> , Georgia, Macedonia <sup>2)</sup>	Armenia, Azerbaijan, Central Asia <sup>3)</sup>
Mediterranean, Near and Middle East	Egypt, Morocco, Palestinian territories, Turkey, Yemen	Algeria, Jordan, Mauritania, Syria, Tunisia
Sub-Saharan Africa	Benin, Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mali, Mozambique, Namibia, Rwanda <sup>4)</sup> , South Africa, Tanzania, Uganda, Zambia	Burundi, Chad, Côte d'Ivoire, Eritrea, Guinea, Lesotho, Madagascar, Nigeria, Niger
Asia and Oceania	Afghanistan, Bangladesh, Cambodia, China (PR), India, Indonesia, Nepal, Pakistan, Philippines, Vietnam	Laos, Mongolia, Sri Lanka, Thailand, East Timor
Latin America	Bolivia, El Salvador, Honduras, Nicaragua, Peru	Brazil, Chile, Colombia, Costa Rica, Cuba, Dom. Rep., Ecuador, Guatemala, Mexico, Paraguay

- 1) The 11 "countries in transition" (Russia, Belarus, Ukraine, Estonia, Latvia, Lithuania, Poland, Czech Republic, Hungary, Slovakia, Slovenia) are not included on this list. Given the steps of reform undertaken by Estonia, the Czech Republic, Slovenia and Hungary, and the promotion of these countries under corresponding EU programmes, bilateral support of those countries has been completed. The remaining transition countries are being promoted – outside the scope of bilateral development cooperation – as part of the German Government's TRANSFORM Programme, which is coordinated by BMZ. In cooperation with the EU candidate member countries, work focuses on advisory measures to prepare the countries for accession. Cooperation with Russia and the Ukraine focuses on advisory services for economic restructuring. Cooperation with Belarus is confined to the non-governmental sector.
- 2) Countries forming part of the Stability Pact for South Eastern Europe. Within the scope of the Stability Pact, BMZ is coordinating the "Working Table II" (economic reconstruction, development and cooperation). These countries also include Bulgaria, Romania, Croatia, Serbia, Montenegro, Kosovo and Moldova. As well as receiving funds from the Pact, Stability Pact countries can also be promoted through funds from the development cooperation budget.
- 3) Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.
- 4) Here, the status of "priority partner country" is under constant review in the light of political developments.

### **3.2 Definition of Priority Areas in German Development Cooperation**

The establishment of priority areas of work complements the focusing of development cooperation on a reduced number of cooperation countries. The aim of this process is to increase the significance, efficiency and effectiveness of development cooperation by focusing cooperation with the country concerned on just a few areas of work.

These priority areas are themes, sectors or sub-sectors within which German development cooperation can make a significant contribution towards solving core structural problems of the country concerned. This can be achieved by bringing the instruments of German development cooperation to bear on a focused basis, through projects and programmes linked by a shared conceptual strategy.

As German development cooperation undergoes the process of regional concentration, the following themes will provide the broad – though not exclusive – framework for selection of priority areas of work:

- democracy, civil society and public administration (human rights, and especially women's and children's rights, legal and judicial reform, decentralisation, and municipal development);
- peace-building and crisis prevention (including the strengthening of peace constituencies, reconciliation, demobilisation);
- education;
- health, family planning, HIV/AIDS;
- water supply, water management, sanitation/solid waste management;
- food security, agriculture (including fisheries);
- environmental policy, conservation and sustainable management of natural resources (including desertification control, maintenance of soil fertility, sustainable forest management, biodiversity);
- economic reform and establishment of a market economy (including financial systems, trade policy and private-sector promotion, employment, vocational training, informal sector, SMEs, industrial environmental protection);
- energy (including energy efficiency, renewable energies);
- transport and communications;
- regional concentration within the scope of integrated approaches to rural or urban development.

On the basis of a dialogue with the partner country in question, the priority areas of development cooperation with the country are identified in a BMZ country paper (see Sect. 3.1). Points of orientation in this process are: the country's strategic development goals; its core problems and development potentials; its political, legal, ecological, socio-economic and socio-cultural framework conditions; its goals and activities; experiences in cooperation to date; Germany's development-policy priorities; and last but not least the comparative advantages of German development cooperation.

This concentration on just a few priority areas can only be achieved in the medium term, with the agreement of the cooperation countries concerned, also taking into account the priority areas of other donors. It will therefore be the result of a (currently ongoing) process. A time frame for conclusion of the promotion of measures not included amongst the priority areas will be jointly agreed upon with the partners concerned.

In priority partner countries, the entire range of development-policy instruments can be employed in selected priority areas – where possible only three; in partner countries, work will focus where possible on just one priority area of work (see Sect. 3.1). To foster cooperation in a spirit of partnership with the countries concerned, and to take account of Germany's development-policy concerns, a certain scope will be granted in the definition of country programmes. Having said that, this should not occur at the expense of a sufficiently specific definition of priority areas and/or the formulation of a strategy. In order for a specific country programme to be defined more broadly, the allocation of funds to particular priority areas must either not be possible or not be appropriate. Deviations from the rule will require special explanation. This scope should be utilised primarily to realise other important development-policy aims, such as the testing of innovative approaches (e.g. public-private partnerships, or new financing instruments), the solution of particular problems, or the accessing of a future priority area.



## 4. Development Cooperation – Its Forms and Instruments

### 4.1 Bilateral Cooperation

Within the scope of official bilateral cooperation, the German Government provides direct funding to a partner country on the basis of international arrangements. BMZ commissions organisations and institutions specialised in specific areas of development cooperation to implement the measures. It also provides subsidies to organisations committed to bilateral development cooperation at a non-governmental level (see Sect. 5.3).

In fiscal 2002, Germany provided a total of €2.585 billion for bilateral development cooperation. Of this, €1.853 billion (72%) was accounted for by official bilateral development cooperation, and €732 million by subsidies to the development cooperation of non-governmental German institutions.

Official bilateral economic cooperation assumes two main forms:

- Financial Cooperation (FC) and
- Technical Cooperation (TC).

Other forms of official cooperation also exist which do not fit into the above categories:

- knowledge and learning for development (e.g. training of experts and managers, cooperation between research institutes and universities);
- human resources cooperation (secondment, placement and assignment of experts);
- measures to promote returnee experts (reintegration).

Official bilateral cooperation is agreed on for each individual project in the course of government negotiations with partner countries. **Study and expert funds** are a special instrument of bilateral cooperation which both FC and TC set up for partner countries as a flexible and relatively rapid instrument to finance measures such as:

- activities to prepare development cooperation projects (e.g. project appraisals);
- unforeseen short-term measures to support ongoing projects and to round off completed projects;
- miscellaneous studies and reports conducted outside the framework of ongoing projects;
- other small-scale development cooperation measures (e.g. supplies of materials and equipment).

With the exception of Financial Cooperation loans, German contributions within the scope of bilateral cooperation are provided on a non-repayable basis, i.e. no obligation arises on the part of the partner countries to reimburse the funds.

#### **4.1.1 Financial Cooperation (FC)**

Financial Cooperation, or capital aid, is the largest instrument of German development cooperation (€985 million in 2002). Financial Cooperation provides capital to increase a partner country's productive potential or improve its efficiency (including its economic and social infrastructure). Financial Cooperation is used to finance investments in plant and equipment and for services to prepare and implement FC projects. The latter include conducting feasibility studies, planning inputs, providing project-related advisory services to the partner, and implementing project-oriented basic training and upgrading measures for counterpart experts, for example.

Financial Cooperation comprises four different types of financial support:

- project aid,
- programme aid,
- commodity aid and
- structural aid.

The majority of Financial Cooperation funds are used for *project aid*, i.e. the promotion of individual, clearly limited investment projects (e.g. construction of a water supply system). The German Government also

jointly finances projects together with other bilateral or multilateral donors. Co-financing of this type is practised with the World Bank, regional development banks, various development funds and also with other large donor countries such as the USA, the UK and France. Germany is currently participating in a total of 200 co-financing arrangements, of which 113 are being jointly financed with the World Bank, the EU, the European Investment Bank, the UK and/or France. These projects are worth a total of around €5.7 billion, Germany's share of which is approximately €2 billion (35%).

**Programme aid** on the other hand does not address an individual, isolated project but rather a package of several coordinated measures focusing on comprehensive support to a specific area (e.g. a sector, a region or a population group) and implemented on a coordinated basis (integrated regional development, loan programmes for small-scale industries, primary health services, etc.).

**Commodity aid** provides partner countries with the foreign exchange they lack to import urgently required goods and services for civilian use. A list of the goods and services to be procured is drawn up together with the recipient country. Commodity aid is primarily used to establish, maintain and improve the use of small and medium-scale industrial facilities and agricultural production capacities or to equip scientific, technical, medical or similar facilities. Commodity aid is tied, which means that the goods to be imported must be procured primarily from German companies.

Since 1987, the German Government has had a new instrument at its disposal: **structural aid**. Structural aid is employed in conjunction with the relevant promotion programmes of the World Bank and IMF, and wherever possible jointly with other bilateral donors. Structural aid directly finances imported goods and related ancillary services. The goods and services are commissioned, and funds disbursed, in line with the agreed structural adjustment measures, and usually in accordance with the procedures set by the World Bank (e.g. funds are not tied to German-made supplies).

In addition to the four types of financial support mentioned above, a limited amount of Financial Cooperation funds can also be used for trust participations and equity-type loans to companies in partner countries.

The Federal Republic of Germany commissions Germany's reconstruction bank, the Kreditanstalt für Wiederaufbau (KfW), to

implement Financial Cooperation. KfW can also choose compound or mixed financing forms in order to support individual projects, combining Financial Cooperation funds with funds drawn from the capital market, or with funds of its own which are not drawn from the federal budget, to ensure overall financing. KfW's own funds are usually granted as export loans at market conditions.

The conditions for allocation of FC funds are geared to the partner countries' economic situation. Depending on the partner's specific economic performance capability, the German Government provides FC funds in line with one of the following conditions:

- "Least developed countries" (LDCs) – which had already been receiving loans at IDA conditions since 1972 – have received all funds on a non-repayable basis (financial contributions) since 1978.
- All developing countries which are not LDCs, but which are eligible for favourable IDA conditions under World Bank regulations on the basis of their low per capita income (up to US \$1,445 for 2000), receive loans at an interest rate of 0.75% p.a. with a 40-year term and a 10-year period of grace.
- Other partner countries are granted loans at an interest rate of 2% p.a. with a 30-year term and a 10-year period of grace.

Quite independent of the conditions under which the recipient country receives its support under the Financial Cooperation scheme, Germany usually assumes the cost of preparatory and accompanying project measures without any repayment obligation for the partner.

A precondition for granting Financial Cooperation funds is that the partner country does not have any irregular outstanding financial commitments to Germany. Financial Cooperation funds are always disbursed in line with project progress. The following modalities apply:

***Direct payment.*** Once invoices have been checked by the project executing agency in the partner country, KfW transfers the invoice amount directly to the supplier of goods or services. This procedure is usually applied when foreign exchange costs are incurred, i.e. when the supplier company is not located in the partner country.

**Reimbursement.** When the costs of supplies and services are incurred in the partner country's own currency (as a result of local suppliers or consultants being commissioned), the reimbursement procedure is usually used. The project executing organisation pays the pertinent invoices and presents them to KfW for reimbursement.

**Letter of credit.** This (seldom used) procedure involves the opening of a letter of credit at a bank in the partner country; foreign suppliers are then paid upon presentation of documents.

**Counterpart funds** are a specific form of Financial Cooperation. The direct recipient of Financial Cooperation (e.g. the Ministry of Finance of the partner country) grants a loan or a financial contribution to a legally and economically independent project executing organisation (e.g. a company) on terms which, in accordance with the agreements with KfW, are less favourable than those terms received by the immediate recipient itself. The difference between the interest rate granted to the project executing organisation and the interest which the government has to pay then generates a surplus which is used to form the "counterpart funds". If financial contributions (non-repayable grants) are used by the recipient to provide loans to project executing organisations, the repayments made by the project executing organisation also become counterpart funds. These funds are in principle the property of the recipient country, although it cannot use them at will but, in agreement with KfW, must earmark them for projects of a high development-policy rating.

#### **4.1.2 Technical Cooperation – TC**

Technical Cooperation (TC) aims to strengthen the performance capability of people and organisations in partner countries – especially poor sections of the population – and to support these people in improving their living conditions through their own efforts. It seeks forms of cooperation in partnership. Within the scope of TC, technical, economic and organisational expertise and capabilities are transferred. The German Government places special emphasis on participation by civil society, and on improving the social status of women in partner countries. This is designed to reflect the importance of women for the success of development processes. For the developing and transition countries, the need to become integrated into the global economy and to help solve transboundary or even global problems (such as water management or climate protection) – for reasons of self-interest – generates exacting demands. TC has an important supporting role to play here.

Technical Cooperation inputs include:

- assignment of advisors, instructors, appraisers and other experts;
- financing of equipment and materials for the promoted partner institutions;
- granting of salary subsidies to specialists contracted by partner countries as integrated experts ("topping up");
- basic training and upgrading for local specialists and management personnel in the partner country itself, in the Federal Republic of Germany or elsewhere;
- financial contributions to projects and programmes of capable project executing organisations in the partner country.

German inputs are a contribution to partner countries' own projects, the aim being to fully utilise existing capacities whilst making the minimum intervention into partners' and target groups' own responsibility. German Technical Cooperation assumes that partner countries will be willing and able to make the major input to the projects themselves – chiefly those inputs which must be continued after German support is phased out (particularly the costs of operating and maintaining the project and assigning and ensuring salaries for local personnel). In financially weak partner countries, the German Government may bear all or part of these counterpart contributions during a transitional period.

As at 31 December 2000, the German Government had pledged a total of €16.8 billion to developing countries since TC was commenced in 1960 (2000: €0.52 billion). Of this amount, a total of €13.8 billion has flowed to date. €0.6 billion was pledged for 2001. Germany's federal budget for 2002 includes €545 million earmarked for TC.

In principle, TC is delivered to the partner country free of charge. The German Government usually commissions the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH to plan and implement Technical Cooperation projects and programmes. In certain cases, BMZ directly commissions other institutions to implement TC measures, e.g. the Federal Institute for Geosciences and Natural Resources (BGR) or the Federal Institute of Physics and Metrology (PTB).

To supplement the TC instruments, official German representations in cooperation countries can be commissioned to coordinate small-scale local TC measures. These measures are designed to provide swift and effective help towards self-help in special cases. Eligible for promotion are measures which

- do not exceed a funding requirement of up to €7,500 per measure (the maximum total per country is usually €30,000 per fiscal year);
- are not directly related to ongoing German inputs to development cooperation projects;
- are self-contained, i.e. will not generate recurrent obligations.

#### **4.1.3 Knowledge and Learning for Development**

The training of young managers and multipliers from partner countries, and the international exchange of experience with policymakers and public- and private-sector decision-makers benefits partner-country professionals in several respects. It enhances their technical qualifications, develops their managerial capabilities, and helps enable them to develop self-reliant solutions to improve the living conditions of people in partner countries. In practice-oriented programmes lasting up to a year, expertise is transferred in a form which is not or not yet available in the partner countries themselves. As well as straightforward knowledge transfer, intercultural exchange and constructive engagement with life in a modern industrialised nation also play a crucial role. The training measures, which last up to nine months, therefore usually also include a practical component (e.g. internships). Apart from these long-term measures, a large number of short-term workshops and courses are

also offered both in Germany and abroad; these are designed to promote not only the transfer of technical expertise, but also dialogue and exchange of experience between North and South, and between countries of the South. In the year 2000, a total of around 18,900 individuals took part in training measures.

The key areas covered by knowledge and learning for development are industry and crafts, public and private services, vocational training, agriculture and forestry, health and public administration. Sustainable natural resource management and environmental protection play a significant role as a cross-cutting theme.

Germany's federal states (*Länder*) also participate in these promotion activities, for instance by providing grants for certain programmes. The *Länder* also support programmes by financing specific training institutions and teaching staff, or by waiving tuition fees in their institutions of higher education. In some cases, other public institutions and Germany's private sector also provide training opportunities free of charge. For implementation of the various programmes, BMZ avails itself of the services of InWEnt – Capacity Building International, Germany – and the Central Placement Office (ZAV) of the German Federal Employment Institute (BA), in particular.

Dedicated graduate professionals are needed to help solve global structural problems. BMZ therefore deploys an array of programme measures involving cooperation between research institutes and universities. These are designed to integrate partner countries into knowledge networks and train graduate professionals in dynamic sectors that are relevant to development. Corresponding programmes are implemented by the German Academic Exchange Service (DAAD), the Alexander von Humboldt Foundation (AvH) and the German Research Association (DFG).

#### 4.1.4 Human Resources Cooperation

The German Government's development policy is geared to the principle of subsidiarity. Hence external experts are only used in development cooperation where the expertise and capabilities required to implement a project are not available in the partner country. Within the scope of German development cooperation, national experts are increasingly being employed in projects. Nevertheless, there will still be a need for external experts to perform key functions in partner countries in the future.

In addition to the experts seconded within the scope of TC projects, it is chiefly "integrated experts" and "development-aid volunteers" who are assigned in human resources cooperation. **Integrated experts** are employed directly by a public or private organisation in the partner country. The organisations pay them a salary at the local going rate. These arrangements are designed to bridge temporary gaps in the availability of human resources by employing German experts or experts who are nationals of another EU member state on a limited-term basis. German public funds are then used to provide the integrated experts with salary topping-up payments, to subsidise briefing and other preparatory measures for them prior to partner-country assignments, to subsidise their social security provision, and in the event of unemployment to provide them with transitional support to facilitate their professional reintegration in Germany. In principle, these experts are recruited on the German labour market. As the year 2000 drew to a close, 671 integrated experts were employed in 87 countries, chiefly in the areas of education, training, industry, mining, building and construction, health, environmental protection and sustainable natural resource management, economic planning, public administration and agriculture. The Integrated Experts Programme is implemented by the *Centrum für internationale Migration und Entwicklung (CIM)*.

**Development aid volunteers** render their services for development on an unremunerated basis; in this respect they differ from the above-mentioned experts. Provision for their social security is included in the Development Aid Volunteers Law, which contains stipulations in particular on issues of liability, health and accident insurance, wage indemnification payments in the event of unemployment, and professional reintegration. Development aid volunteers can only be seconded by the following six recognised institutions:

- the Association for Development Cooperation (AGEH), run by Catholic organisations and institutions;
- the German Development Service (DED);
- the Church Development Service (EED);
- the International Christian Service for Peace (EIRENE);
- the World Peace Service (WFD);
- Christliche Fachkräfte International e.V. (CFI), established by the Association of Evangelical Missions in conjunction with the German Evangelical Alliance.

These six organisations joined forces in 1993 to form the Association of Development Organisations (AGdD).

#### **4.1.5 Promoting the Reintegration of Returnee Experts**

Development cooperation is a key instrument for tackling the causes of flight and migration. The major causes of the sharp increase in huge migratory movements witnessed in recent years are wars between and within states, natural disasters, socio-economic disparity and instability, competition for resources, democratic deficits, human-rights violations and the suppression of minorities.

When experts emigrate, their countries of origin often find it difficult to replace these experts by others with equivalent qualifications. BMZ's reintegration promotion strategy seeks to help place experts who have been trained, or have gained years of professional experience, in Germany, and who are now returning to their home country, in professional positions that are relevant to the development process. The aim of the programme is to harness the expertise that these experts have acquired in Germany and use it to promote the economic and social development of their home countries. The programme creates incentives for both dependent employees and founders of new businesses to return, by providing preparatory technical inputs, as well as transitional and start-up assistance.

During the last five years, BMZ assistance has helped around 6,000 experts returning to their home countries from Germany reintegrate into the domestic labour market. Towards the end of 2000, around 650 returnees were receiving assistance. Bilateral agreements also exist with nine partner countries concerning the setting-up of joint credit funds to

promote SME establishment. To date, a total of 8,500 loans have been extended to launch such enterprises, through which almost 70,000 jobs have been created.

## **4.2 Development Cooperation of the EU**

The EU has worldwide operations for development cooperation. In the year 2000, it spent €7.3 billion on corresponding measures. Two-thirds of this funding is drawn from the EU budget, and one-third from the European Development Fund (EDF), the latter being formed from national contributions of the member states.

EDF funds are used exclusively to finance cooperation with the countries of the Cotonou Partnership Agreement (77 countries of Africa, the Caribbean and the Pacific – the "ACP countries"), and with South Africa.

Support for other regions (Mediterranean, Asia, Latin America) is drawn from the general EU budget. Funds for special instruments such as food aid, humanitarian assistance and cooperation with non-governmental organisations are also drawn from the general EU budget. In 1999, Germany's contribution to this segment of the EU's development cooperation accounted to 26.4% of the funding; the figure for 2000 was 25.9%, and for 2001 around 25.3%.

The EU has designed a number of region- and sector-specific promotion programmes. Key amongst these are:

- the MEDA programme for cooperation with 12 partner countries in the Mediterranean region and the Middle East;
- the TACIS programme to promote the successor states of the Soviet Union, and Mongolia;
- the CARDS programme of financial and technical assistance for the reconstruction, development and stabilisation of South Eastern Europe (successor states of ex-Yugoslavia, not including Slovenia, plus Albania);
- the PHARE programme for the Eastern and Southern European EU candidate countries, and the Baltic states;
- the ISPA and SAPARD programmes, which complement the PHARE programme on a sector-specific basis (ISPA promotes investment in the environment and transport, SAPARD in agriculture).

On 10 November 2000, the Council of Ministers and the European Commission adopted a Joint Declaration on EU Development Cooperation. This strategy paper defines the broad framework for future EU development cooperation. The document states that cooperation shall primarily serve to help prevent crises and stabilise partner countries by promoting poverty alleviation. In doing so, cooperation will focus on six priority areas in which the EU possesses comparative advantages:

- trade and development;
- regional integration;
- support of macro-economic policies, especially in the health and education sectors;
- transport;
- food security and sustainable rural development;
- institutional capacity-building in the partner countries.

To improve its efficiency and effectiveness, the Commission has begun to fundamentally reorganise administration of its external aid: By establishing Europe Aid on 1 January 2001, it also created a new internal bureau for project implementation and administration, which brought under one roof competences that had previously been institutionally divided. A further planned element of this reorganisation process is the ongoing transfer of personnel and decision-making authority to the EU in-country delegations (deconcentration).

Within the scope of EU development cooperation, the German Government pursues the following objectives:

- orientation towards the over-arching goal of poverty alleviation;
- further improvement of the efficiency and effectiveness of EU development cooperation;
- better coordination and division of labour between the Commission and the member states;
- better coherence with other EU policies;
- promotion of free and fair trade, especially through market access for numerous developing countries;
- stronger orientation of European development cooperation towards conflict prevention, and hence a strengthening of the role of development policy in this area.

### **4.3 Multilateral Cooperation**

For Germany, as for other industrial nations, multilateral cooperation is a major element of development cooperation, and a crucial instrument in the international partnership for development and peace-building. Multilateral cooperation activities include:

- implementing programmes which exceed the capability of a single donor, or which provide assistance to several recipient countries;
- conducting a policy dialogue with partner countries and supporting them in difficult reform and adjustment measures;
- joint coordination of aid measures in order to raise their efficiency;
- early recognition of exceptional emergency situations and coordinated preparatory measures by the donor community to mitigate the situation.

A total of around one-third of BMZ budget funds reach the countries with which Germany cooperates through multilateral and international channels. The major multilateral organisations supported by BMZ, as well as by other German ministries, are the United Nations and its special organisations, the UN funds and the UN programmes, and the international financial institutions (World Bank, IMF, regional development banks). The German Government also promotes a number of international non-governmental organisations such as the International Planned Parenthood Federation and the International Union for the Conservation of Nature.

The financial inputs to these international organisations and institutions are made either in the form of voluntary endowments, compulsory contributions, capital subscriptions, or by the deposition of notes that can be redeemed when required. The German Government also commissions multilateral institutions to implement specific measures, for which it makes special funds available (funds-in-trust measures).

#### **4.3.1 World Bank Group**

The World Bank Group comprises the following five institutions:

- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)

- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)
- International Center for the Settlement of Investment Disputes (ICSID).

Germany contributes to these five organisations within the scope of its multilateral development cooperation.

**IBRD** grants government-tied, long-term loans for development purposes. These funds are chiefly raised by the Bank on the international capital markets, and are also drawn partly from member countries' payments to the equity capital and from loan redemption. The Federal Republic of Germany has been a member of the World Bank since 1952. It holds a 4.61% (US \$8.67 billion) share of the Bank's total capital of US \$188.2 billion.

**IDA** shares the World Bank's basic goals, but grants its loans primarily to poorer countries and at far more favourable conditions. In contrast to the World Bank, IDA does not procure its loan capital on the capital market, but finances it primarily from member-country contributions and surplus transfers from the Bank, and increasingly from credit repayments. Germany is the third-largest contributor (after USA and Japan) to IDA, and to date has provided approximately US \$11 billion (11.4%) of IDA's total funds of US \$96.3 billion.

The task of **IFC** is to support the economic development of less developed countries by promoting private-sector growth. To this end, IFC participates in the capital of chiefly private companies and grants them loans. The Federal Republic of Germany's participation in IFC's capital currently amounts to around US \$130 million (5.5% of the total capital).

**MIGA** is an independent international development organisation which protects direct private-sector investments in less developed countries against non-commercial risks by providing guarantees. MIGA was founded in 1988 and is the youngest organisation of the World Bank Group. In fiscal 2001, it concluded 66 guarantee agreements worth a total of over US \$2 billion. This allowed investments worth US \$5.2 billion to be made in 28 countries. Germany is a founding member of MIGA and contributes around 3.8% (US \$55 million) of its subscribed capital of US \$1.44 billion.

*ICSID* was established in 1966; as at 30 June 2001, 134 countries had joined. Germany is a founder member. ICSID seeks to promote international investment by helping to create conditions conducive to settlement or conciliation in the event of disputes between government and foreign investors. ICSID also performs a range of advisory, research and publication tasks in connection with legal provisions governing foreign investment.

#### **4.3.2 International Monetary Fund – IMF**

IMF is a special United Nations organisation with 183 member countries. To redress temporary foreign trade and payments imbalances, member states can claim balance of payments assistance from IMF. In addition to these normal IMF credit facilities, which are available to all members with balance-of-payments difficulties, IMF has also created certain special concessionary facilities which mainly benefit the developing countries amongst IMF's members. Particularly significant in the development context is the Poverty Reduction and Growth Facility (PRGF), which was created in 1999 and is specifically geared to poverty alleviation. One key criterion that countries must satisfy in order to qualify for this facility is the completion of a national Poverty Reduction Strategy Paper (PRSP).

Germany makes two mutually independent contributions to this programme. First of all it provides a federally guaranteed loan from the Kreditanstalt für Wiederaufbau (KfW) of SDR 1.75 billion at market conditions. Secondly, it provides interest subsidies totalling around €158.5 million, which are included in the development-aid budget.

IMF's funds are drawn chiefly from the quota payments made by its members, the size of which is largely dependent on the economic and financial strength of the country concerned. An increase in members' quotas came into force in January 1999 under the 11th General Review of Quotas. The sum total of members' quotas rose to around SDR 212 billion, which is equivalent to around US \$290 billion. Germany's member's quota is around SDR 13 billion, which is roughly 6.26% of the sum total of all quotas. This makes Germany the third-largest contributor after the USA and Japan, with the UK and France occupying fourth and fifth place, respectively.

### 4.3.3 United Nations

In the year 2000, Germany contributed some €420 million in financial contributions to United Nations development organisations. Around €177 million of this was paid in contributions to the general budgets of the respective UN organisations, and €243 million as earmarked contributions.

Germany participates in the financing of more than 11 UN organisations. The largest budget contributions are received by the *World Health Organization* (WHO), the *World Food Programme* (WFP), the *United Nations Development Programme* (UNDP), the *Food and Agriculture Organization* of the UN (FAO), the *United Nations Population Fund* (UNFPA), the *United Nations Educational, Scientific and Cultural Organization* (UNESCO) and the *United Nations Industrial Development Organization* (UNIDO). Germany also contributes towards the financing of special UN organisations, such as the *International Fund for Agricultural Development* (IFAD).

### 4.3.4 Regional Banks

Whereas the World Bank does not limit its activities to any specific region, the regional banks and their special funds only provide financing for projects and programmes within their respective member countries. Their operations are based on similar principles to those of the World Bank Group: They award project- and programme-tied financing. The Federal Republic of Germany provides capital to all major regional development banks and their special funds. Germany's particular interest lies in supporting reform processes, promoting market economies and supporting private sector initiative.

In 1990, the *European Bank for Reconstruction and Development* (EBRD) was established to support economic reform in the countries of Central and Eastern Europe. Germany contributes €1.7 billion (8.52% of the share capital) to this bank. In contrast to funds for other multilateral banks, the funds to finance EBRD are not drawn from the BMZ budget but from the budget of the Federal Ministry of Finance.

Germany's share of the subscribed capital of the *Asian Development Bank* (AsDB) is approximately US \$2 billion (4.45% of the total capital). To date, Germany has pledged funds of slightly more than US \$1 billion,

making it the third-largest supplier of funds to AsDB after Japan and the USA.

Germany became a member of the *African Development Bank* (AfDB) in 1983. Following the USA and Japan, Germany is the bank's third-largest supplier of capital (4.1%) among the non-regional members, and also makes a considerable contribution to financing the work of AfDB's African Development Fund. German pledges to the Fund to date amount to just under US \$1.4 billion, making Germany the Fund's fourth-largest contributor.

Germany is also a member of the *Inter-American Development Bank* (IDB), the *Inter-American Investment Corporation* (IIC) and the *Caribbean Development Bank* (CDB).



## 5. Germany's Development Cooperation Institutions

### 5.1 Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung – BMZ (Federal Ministry for Economic Cooperation and Development)

The German Government has invested its Federal Ministry for Economic Cooperation and Development (BMZ) with responsibility for the entire development cooperation sector. BMZ's chief tasks are:

- to help shape global frameworks;
- to elaborate bilateral and multilateral promotion strategies, and to support partner countries' programmes and projects for development;
- to promote non-governmental organisations' development co-operation activities;
- to monitor results, and supervise the use of funds.

Including its part-time staff, BMZ employs a total workforce of just under 570, 90% of whom work in Bonn, and the remaining 10% in the German capital Berlin. BMZ's overall budget for fiscal 2002 amounted to some €3.88 billion. This budget is used for various types of development cooperation:

Multilateral cooperation:	32%
Bilateral cooperation:	68%
Of which:	
Financial Cooperation:	25%
Technical Cooperation:	21%
Financing of activities of private organisations:	10%
Others (special measures etc.):	12%

BMZ is Germany's major point of contact for political dialogue on all development-related issues and for concrete applications for project assistance or financing etc.

BMZ does not, in principle, implement any project and programme activities itself, but commissions downstream organisations to do so. KfW is usually commissioned to implement Financial Cooperation, and GTZ is the main implementing organisation for Technical Cooperation activities. KfW and GTZ cooperate closely in their work. At the project pre-selection stage, KfW and GTZ jointly submit an initial appraisal to BMZ indicating whether a project should be allocated exclusively to Financial Cooperation or to Technical Cooperation or should be implemented jointly by KfW and GTZ as a cooperative project.

BMZ reviews the effectiveness of Germany's development cooperation. These evaluations address both ongoing and completed projects, and supplement and monitor the evaluation measures carried out by the individual implementing organisations under their own responsibility.

## **5.2 Institutions for Official Development Cooperation**

### **5.2.1 Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH**

GTZ was established in 1975 as a private enterprise, wholly owned by the Federal Republic of Germany. Its corporate mandate is to support the German Government in achieving its development-policy goals. GTZ performs this work on a public-benefit basis. In line with its general contract with BMZ, GTZ undertakes to implement the German Government's commissions within the scope of **Technical Cooperation** and to keep on hand the necessary resources and capacity to do this. GTZ's major client is BMZ, although it also operates on behalf of other German ministries.

As GTZ is organised as a private enterprise, it can also accept remuneration to operate on behalf of third parties, without the German Government being directly involved financially or assuming co-responsibility for the project in question, provided that the German Government gives its approval. In these cases, GTZ acts as would a private consulting organisation. On behalf of multilateral development organisations or other governments, for instance, GTZ implements projects and programmes that have usually been commissioned on the basis of international competitive bidding. To this end, GTZ has established a special "GTZ International Services" department.

As well as projects and programmes for German or international clients, GTZ also implements its own development measures. In principle, these "GTZ-financed measures" are funded from the company's operating result for the current year, any surpluses from which GTZ's Articles of Association require it to use for development cooperation. These funds are channelled into small-scale, self-contained measures designed to directly benefit target groups that are particularly eligible for promotion.

GTZ develops integrated problem-solving strategies for all fields of Technical Cooperation. Its service package includes:

- delivery of advisory services to public-sector and non-governmental organisations and institutions in partner countries for the planning, implementation and monitoring of their projects;
- recruitment of expert personnel, implementation of measures to prepare them for their assignment, and provision of professional and personnel back-up services during their period of assignment;
- planning and implementation of project-related training measures;
- planning, steering and implementation of complex commissions, for instance in the areas of logistics or event management;
- technical planning and purchase of materials and equipment for projects;
- award and processing of non-repayable financial contributions from Technical Cooperation funds.

In 2001, GTZ supported a total of 2,703 projects in 131 partner countries. A total of 10,656 staff members were employed in projects, of which 1,373 were field staff directly seconded by GTZ, 8,572 were national personnel and 711 were integrated experts. Staff at GTZ Head Office numbered 1,032.

GTZ's total turnover in the year 2001 amounted to €866 million, 88% of which resulted from commissions awarded by Germany's public sector – mainly the Federal Ministry for Economic Cooperation and Development (BMZ). GTZ International Services generated turnover of 105 million (12% of the GTZ total). In 2001, new GTZ-financed measures worth approximately €7.4 million were agreed upon. As a result, the total value of GTZ-financed measures in hand rose to €12.4 million as at the end of fiscal 2001.

### 5.2.2 Kreditanstalt für Wiederaufbau (KfW)

KfW is a public-sector corporation in which the German Federal Government holds 80% of the share capital and Germany's individual Federal States 20%. KfW's tasks include:

- granting loans for projects serving to reconstruct or promote the German economy;
- granting loans linked to the export business of German companies;
- providing guarantees;
- extending loans and grants to finance projects abroad which are eligible for promotion, particularly within the scope of *Financial Cooperation*.

KfW's role as a development bank within the scope of development cooperation is only one of several fields of activity. In 2001, 11% of KfW's total lending was accounted for by loans and grants to promote developing countries.

On the basis of the mandate provided by the German Government, KfW implements Financial Cooperation activities independently and on its own responsibility. Unlike GTZ, KfW acts and signs in its own name when entering into contracts with partner countries. Its activities centre on promoting projects that have a promising development-policy approach. Nevertheless, responsibility for these projects lies with the institutions in the partner country. However, in its capacity as a development bank, KfW provides assistance for the partner's project activities, assuming co-responsibility for their developmental success. KfW is currently promoting 1,300 projects in 105 countries. Key areas of promotion are social infrastructure (education, health, water supply), economic infrastructure (energy supply, transport, telecommunications), agriculture and sustainable natural resource management, and the establishment of efficient and effective financial systems.

### **5.2.3 Deutsche Investitions- und Entwicklungsgesellschaft mbH – DEG (German Investment and Development Company)**

Established by the German Government in 1962, DEG has been a subsidiary of KfW since June 2001. DEG is mandated to promote the private sector in developing and reforming countries by co-financing corporate investment, and by delivering advisory services to facilitate the investment process.

DEG implements its activities in Africa, Asia, Latin America and Central and Eastern Europe, financing private-sector investments in partner countries (often German–foreign joint ventures) through the acquisition of equity capital and/or the provision of equity-type loans and guarantees. DEG also participates in the financing of partner-country institutions which themselves finance development activities (development banks, leasing companies, venture capital companies).

DEG's activities help to stimulate and strengthen private initiatives for investment in the partner countries. DEG works on private-sector principles. Projects must be economically viable and environmentally sound, and must satisfy development-policy criteria.

DEG's contribution to financing must always be "proportionate" to the financial commitment of the partners (i.e. the other proprietors of the project company). DEG's contribution to the financing of a project is therefore usually significantly less than 50% of the total. The scope of financing provided for any given project usually ranges between €1.5 million and €10 million.

Since it was established, DEG has provided some €4.7 billion as financing for 1,025 project companies in 121 countries. This has allowed a total of €32.2 billion to be mobilised for investment. In 2001, a total of 64 new pledges were made for financial contributions worth €412 million. €346 million of this amount was for loans, and €66 million for equity participation. The main regional focus of this new business (36%) was in Latin America.

#### **5.2.4 Deutsches Institut für Entwicklungspolitik – DIE (German Development Institute)**

DIE is a public-benefit limited corporation financed from public funds. Its shareholders are the German Government and the German *Land* of Berlin. DIE has a consultancy and training mandate based on independent scientific research. It prepares expert reports on development-policy issues for public institutions in Germany and abroad, and provides advisory services on cooperation between industrial nations and developing countries. DIE also provides training for (post-)graduates of various disciplines and nationalities (a total of 706 graduates by May 2002), preparing them for professional practical work in development cooperation. DIE has a total of 49 staff members, and its annual budget for 2002 was €4.3 million.

#### **5.2.5 Deutscher Entwicklungsdienst – DED (German Development Service)**

DED is a public-benefit limited corporation financed chiefly from public funds and donations. The shareholders are the Federal Republic of Germany and the working group "Association for Learning and Helping Overseas". DED's field of activity is human resources cooperation for development. It assigns development aid volunteers to projects designed to help improve people's living conditions. Assignments usually cover a two-year period. DED also places German development aid volunteers with the United Nations Volunteer programme.

DED presently has almost 1,000 development volunteers working in 40 countries of Africa, Asia and Latin America, focusing on technical, craft and trades projects. The annual budget for 2002 was around €63 million.

#### **5.2.6 Internationale Weiterbildung und Entwicklung GmbH – InWEnt (Capacity Building International, Germany)**

InWEnt was established in October 2002 through the merger of the *Carl Duisberg Society* (CDG) and the *German Foundation for International Development* (DSE). It will continue their work.

The two operations, which had a total of around 900 staff and a combined financial volume of €130 million, were merged at the suggestion of BMZ, which accounts for a significant proportion of

InWEnt's commissions. InWEnt is owned principally by the German Government. Its major clients and partners are the German Federal Ministry for Economic Cooperation and Development, the German Federal Ministry of Education and Research, the German Federal Foreign Office, the German Federal Ministry of Economics and Labour, the German Federal Ministry of Consumer Protection, Food and Agriculture, as well as the Federal States (*Länder*), the European Union, multilateral institutions, foundations and commercial enterprises.

InWEnt has several regional centres located across Germany. These centres are involved in facilitating grant programmes, implementing *Länder* commissions, and organising and implementing development information, education and training measures in Germany.

InWEnt attaches particular importance to close cooperation with the *Länder* and with the private sector in Germany. It maintains project offices in Brussels, Moscow, Kiev, Pretoria, Lima and Manila.

InWEnt's activities aim to promote sustainable social, economic and ecological global development, to transfer international and intercultural skills to young managers and executives, and to support global structural policy and international peace policy. Its international training and dialogue programmes are designed for policymakers and decision-makers in the public, private and civil society sectors. Within the scope of cooperation and development, InWEnt designs, plans and implements practice-oriented training programmes and international exchange of experience for experts and managers from partner countries. These measures are held both in Germany and in the partner countries themselves, often in close cooperation with GTZ projects. Through its programmes for training, exchange and dialogue, InWEnt reaches some 35,000 people from developing countries, Germany, other industrialised nations and Eastern Europe every year.

In the year 2001, approximately 6,800 experts and managers from partner countries participated in training measures of what was then CDG. CDG received funds of €22.5 million to design, plan and implement these measures.

Around 9,400 people from partner countries took part in training activities of what was then DSE in the year 2001.

InWEnt also prepares German experts and their spouses for foreign assignments (2001: 652), and comprehensively documents trends in the development sector.

### **5.2.7 Centrum für internationale Migration und Entwicklung – CIM**

CIM was founded in 1980 as a joint operation of GTZ and the Central Placement Office (ZAV) of the German Federal Employment Institute (BA). CIM is an expert placement agency with a development-policy mandate. On behalf of BMZ, CIM implements inter alia the Integrated Experts programme (see Sect. 4.1.4). Governmental, parastatal or private-sector employers in cooperation countries can notify CIM of their human resources requirements. Before CIM places appropriate professionals with these prospective employers, it first establishes whether the position in question is one which makes an appropriate contribution to development. Over 700 CIM experts are currently employed in more than 80 countries worldwide. CIM has 50 staff members and an annual budget of approximately €45 million.

### **5.2.8 Bundesanstalt für Geowissenschaften und Rohstoffe – BGR (Federal Institute for Geosciences and Natural Resources)**

BGR is the German Government's national institution for geosciences. It reports to the Federal Ministry of Economics and Labour. BGR is commissioned by BMZ to appraise project applications and to plan and implement Technical Cooperation projects in its specialised field (e.g. establishing geological services, advisory services on prospecting and exploring mineral raw materials and sources of energy, evaluation of mining sites, etc.).

Over the past two years, BGR has implemented over 40 projects in approximately 30 countries on behalf of BMZ.

### **5.2.9 Physikalisch-Technische Bundesanstalt – PTB (Federal Institute of Physics and Metrology)**

PTB is Germany's national scientific institute for physics and technology. It is the supreme authority for measuring and for numerous areas of safety technology. PTB also reports to the Federal Ministry of Economics and Labour.

PTB is commissioned by BMZ to appraise and implement projects in partner countries that address the establishment of scientific and technical infrastructure (conformity testing systems, encompassing the components measurements, standards, testing, quality assurance – MSTQ).

Work covers the basic training and upgrading of technical specialist and management personnel in Germany, advisory services to partner institutions in fulfilling their given tasks, and assistance in the procurement and commissioning of measuring and testing equipment. In 2001, PTB implemented 27 projects in 18 countries on BMZ's behalf (with funds of approximately €3.5 million).

#### **5.2.10 Deutscher Akademischer Austauschdienst – DAAD (German Academic Exchange Service)**

DAAD is a public-benefit organisation, a joint institution of German universities. It is financed chiefly from federal public funds (Federal Foreign Office, BMZ). DAAD is mandated to promote university relationships with foreign countries, particularly through the exchange of students and scholars. On behalf of BMZ, DAAD implements programmes to support young scholars from partner countries. This mostly takes the form of scholarship programmes for (post-)graduates (financing of courses of study at institutions and universities in Germany and abroad), and the financing of grants to German university teachers to work as integrated experts at universities in partner countries. In 2001, BMZ allocations to DAAD amounted to some €18.4 million.

#### **5.2.11 Goethe-Institut Inter Nationes**

Goethe-Institut Inter Nationes is the largest organisation promoting German culture and education policy abroad. The merger of the Goethe Institute and Inter Nationes in January 2001 has resulted in a network of 3,100 employees working at 141 cultural institutions in 77 countries. Within the scope of development cooperation, Goethe-Institut Inter Nationes organises meetings for former trainees. It is financed by the Federal Foreign Office, the German Press Office and sponsors, and from income generated by the institutes themselves. The budget for 2001 was around €242 million.

## **5.3 Non-governmental Organisations in Development Cooperation**

### **5.3.1 Political Foundations**

The large political parties of the Federal Republic of Germany have set up public-benefit foundations; these are legally independent, but in practice closely associated with a particular political party. Their main tasks are political education and research. The activities of the foundations are not limited to Germany. They also support groups in other countries in order to help strengthen democratic structures.

The following foundations are also committed to development-policy work:

- Friedrich Ebert Foundation (FES), associated with the Social Democratic Party (SPD);
- Konrad Adenauer Foundation (KAS), associated with the Christian Democratic Union (CDU);
- Hanns Seidel Foundation (HSS), associated with the Christian Socialist Union (CSU);
- Friedrich Naumann Foundation (FNS) associated with the Free Democratic Party (FDP);
- Heinrich Böll Foundation (HBS) associated with Alliance 90/Greens;
- Rosa Luxemburg Foundation (RLS) associated with the Party of Democratic Socialism (PDS).

The political foundations work closely with trade unions, political parties, cooperatives and similar political and social groups in developing countries and countries of the former Eastern Bloc. Their development-policy activities focus on strengthening trade unions and political parties, supporting self-help organisations, promoting adult education, strengthening free media, and nurturing research in the social sciences in the partner countries themselves.

In 2000, 240 co-workers from the foundations were working in partner countries (FES 89, KAS 69, FNS 29, HSS 35, HBS 18). In 1999, a total of €319.5 million was allocated from federal budget funds to support the foundations in their development-policy work.

### 5.3.2 Churches

The two large Christian churches are important actors in Germany's non-governmental development cooperation. Their development work is geared to solidarity with the poor. The churches' assistance programmes are designed to lock in with projects independently planned and implemented by the local partner and chiefly staffed by local personnel. The assigned development aid workers are usually fully integrated into the local executing organisations. Work focuses on education and health, agriculture and social welfare.

The churches finance their activities largely from their own funds and donations to the tune of around €511 million per annum. In 2001, the German Government provided €149.6 million to promote church-based development projects. These funds were channelled through the Church Development Service (EED), an association of the Protestant churches in Germany, located in Bonn, and the German Catholic Central Agency for Development Aid (KZE), located in Aachen.

The chief aid organisations of the *Protestant Church* are:

- The Church Development Service;
- Bread for the World;
- The Association of Protestant Churches and Missions;
- Christliche Fachkräfte International.

The chief organisations of the *Catholic Church* are:

- The German Catholic Central Agency for Development Aid;
- Misereor;
- Association for Development Aid.

### 5.3.3 **Stiftung für wirtschaftliche Entwicklung und berufliche Qualifizierung – SEQUA (Foundation for Economic Development and Vocational Training)**

SEQUA is a joint foundation of the Association of German Chambers of Industry and Commerce (DIHK), the German Confederation of Small Businesses and Skilled Crafts (ZdH) and the Confederation of German Employers' Associations (BDA). Its tasks include supporting the establishment of market-oriented structures, strengthening SMEs in

developing countries and transition economies, promoting the vocational training of skilled workers and multipliers in the private sector, and promoting business organisations.

The various projects are implemented in cooperation with German trade associations, chambers and training institutions, which are usually also the executing organisations of the respective projects. Measures focus on promoting private-sector business organisations in the partner countries (e.g. through partnerships between institutions). SEQUA projects are funded by various German federal ministries, including BMZ. SEQUA has 19 staff members and an annual budget of approximately €12 million. Since it was established in 1991, SEQUA has implemented more than 200 projects.

#### **5.3.4 Senior Expert Service – SES**

SES was set up in 1983 as a volunteer advisory service of the German private sector. SES has the legal form of a public-benefit limited company and receives no basic public financing. It is owned by the Federation of German Industries (BDI), the Carl Duisberg Advisory Board (CDF), the Association of German Chambers of Industry and Commerce (DIHK) and the German Confederation of Small Businesses and Skilled Crafts (ZdH). Its goal is to place the professional and personal experience of people retiring from professional life at the service of development in partner countries. Activities centre on relieving acute technical and economic problems in small and medium-sized companies, while simultaneously training local personnel.

People on SES assignments are not remunerated for their work. The costs incurred by the assignment, particularly for the expert's stay in the foreign country (subsistence and accommodation, local transport, pocket money in local currency) and costs for international travel are borne by the commissioning party in the partner country. The maximum assignment period is three months, although repeated assignments are possible.

As the commissioning parties are frequently not able to bear all costs, SES seeks to obtain public grants and donations from the private sector. In the year 2001, SES conducted 1,107 assignments in 85 countries. Regional focuses of this work were the People's Republic of China (316 assignments) and Eastern Europe (327 assignments). Since 1983, SES

has implemented a total of 10,000 assignments in 139 countries. More than half these assignments were subsidised by BMZ.

### **5.3.5 Other Private Organisations**

In addition to the above-mentioned groups, there are numerous other private executing organisations that cannot be directly classified as specific social or political groups but that carry out development cooperation work in specialised sectors. Examples include German Agro Action, the German Doctors for Developing Countries Committee, and Terre des Hommes. Private organisations' programmes and projects focus on measures designed either to help directly improve the economic and social situation of poor sections of the population, to promote respect for human rights or to help strengthen social structures. These activities are financed partly by grants from the German Government and partly by appeals to the public from private-sector organisations.

In the year 2000, the German Government provided €41 million to support the development activities of these private organisations.

## **5.4 Federal States (*Länder*)**

In addition to the Federal German Government and its downstream institutions, most of Germany's individual states (*Länder*) also carry out development cooperation activities; these are coordinated with the federal activities in the Federal–State Committee on Development Cooperation.

Cooperation between individual German states and partner countries focuses on the training of specialists and managers and the funding of university and college students from partner countries. The *Länder* also co-finance development cooperation organisations (such as InWEnt) and support government-level cooperation projects by granting leave of absence to civil servants to work as specialists on field assignments abroad.

In addition to their activities in Germany, the *Länder* are providing an increasing amount of direct support to projects in partner countries, taking the form of the assignment of specialists, the financing of materials and equipment, and the provision of financial contributions to projects of non-governmental organisations.

The total expenditure of the *Länder* on development cooperation measures in the year 2000 was around €60 million (not including the financing of courses of study for students from partner countries). These funds were used to promote 310 projects in 79 countries. The most extensive development cooperation programmes at the individual federal state level are those of Baden-Württemberg and North Rhine-Westphalia.

## 6. Bilateral German Development Cooperation – Its Procedures

### 6.1 Government Consultations, Negotiations, Talks<sup>3</sup>

Development cooperation projects and programmes to be jointly implemented with the partner country are agreed on in government negotiations, which are held at regular intervals. Informal preliminary *consultations* held prior to the government negotiations provide the parties with an opportunity to exchange experience and information on the present political and economic situation of the partner country, and on recent events relevant to development policy. Bilateral cooperation to date is reviewed, and potential projects discussed. The results of the consultations are set down in the record of consultations signed by both parties. Although not formally binding, this document does in fact considerably influence the negotiations which take place at a later date.

From the formal viewpoint, the *government negotiations*, lasting two to three days, are the chief instrument for reaching agreement on bilateral projects. They are held at one- or two-yearly intervals, alternately in the partner country and in Germany. The negotiations provide an opportunity for direct dialogue on basic principles and ongoing issues of cooperation, and are the context in which actual commitments are made to promote projects that have already received a positive appraisal by KfW or GTZ.

Negotiations begin with a discussion of the ongoing projects – broken down into Financial Cooperation and Technical Cooperation measures. This is followed by a discussion of potential new projects, also divided into Technical Cooperation and Financial Cooperation measures. The success of these negotiations greatly depends on both sides being well informed prior to the negotiations, i.e. on the prior availability of essential information on potential new projects.

Ideally, the partner country will have filed a sufficiently detailed project application with the German side (embassy) at least six months prior to the government negotiations, so that KfW or GTZ have already had an opportunity to submit their preliminary comments. Applications which are not presented until during the negotiations, and whose development-

---

<sup>3</sup> There may be country-specific discrepancies between procedures as described in this section, and those actually applied.

policy relevance is not immediately evident, have little chance of being agreed upon during the negotiations.

The German delegation at the negotiations is usually made up of representatives of BMZ, the German Embassy, GTZ and KfW. BMZ is the chief coordinator on the German side. Representatives of other German institutions (e.g. the Federal Ministry of Economics and Labour, DEG) may also be called upon whenever necessary.

The results of the negotiations are laid down in a memorandum of understanding. The commitments made by the German side are binding as regards the total budget involved for Technical Cooperation and Financial Cooperation assistance, but not as regards the allocation of funds to specific measures and projects. This is not specified until detailed project appraisals (see Sect. 6.2.5) are available for the scheduled new projects, and a project arrangement is entered into with the partner country on this basis. For Financial Cooperation, these arrangements take the form of private-law *loan or financing agreements*, which KfW usually enters into with the government of the partner country concerned. Technical Cooperation projects are agreed through internationally binding *project agreements* between the governments. All arrangements stipulate the details of the services, the project objective and the procedures to be applied, and the rights and obligations of each party (e.g. counterpart inputs, modalities concerning the import of materials and equipment to be procured within the scope of the project, status of the assigned field staff and their dependants etc.).

In many countries, *general agreements on Technical Cooperation* regulate issues which are applicable to all projects. These agreements are concluded on the basis of specimen texts and form the contractual framework for the project agreements. They chiefly cover the type and sectors of cooperation, the services and inputs to be provided by each party, the rights and duties of the experts, import modalities etc. The project agreement itself only specifies project-specific details. For Financial Cooperation, a government arrangement is entered into to establish the basis under international law for the private-law contracts that KfW enters into with the recipient.

A third instrument of bilateral exchange are the *government talks*. Whilst these are similar to consultations, they differ in that the German side is able to undertake commitments for limited amounts of funds during these talks.

## **6.2 The Course of Development Cooperation Projects**

### **6.2.1 Preamble**

German cooperation for development is based on the principle that the German Government provides human resources and financial support for the partner country's projects, agreement being reached on which sectors this cooperation is to cover. All projects are therefore partner-country measures, to be planned and implemented independently as far as possible. German support addresses those areas where external assistance is essential for the success of the given measures.

In order to put this principle into practice, however, the partner must possess the planning and steering capacities, in the form of human resources and sectoral expertise, needed to prepare and implement complex development policy projects, and also be aware of the procedures applied by the different donors. Often, this precondition cannot be fully satisfied. Consequently, the donor side frequently stipulates its own, often complex, procedures for the appraisal, planning, steering and control of development cooperation measures.

### **6.2.2 Project Finding and Project Selection**

Notwithstanding the differences in detail in the procedures applied in the course of FC and TC projects, there are standard rules for dealing with and evaluating particular situations in each project phase. A knowledge of, and compliance with, these rules (described below) are key to smooth and successful project cooperation.

This phase covers all activities from the original project idea right through to the decision by BMZ to promote the project. Each project commences with the project idea: the partner country is faced with a problem it cannot solve on its own which it hopes to solve via a project supported by the German Government. In this situation, the partner can already file a written project application with the German Government via the German Embassy. However, in many cases it is expedient to first hold preliminary informal discussions on the project idea with the pertinent representatives of German development-policy institutions (German Embassy, BMZ, GTZ, KfW) in order to explore its basic feasibility.

Most partner countries have established a central unit responsible for managing external development cooperation. This is often a department within the Ministry of Planning, Ministry of Finance or Ministry of Economics, although it may even be a ministry in its own right. Its tasks include the preliminary review of project ideas/project applications, coordination with the development priorities of the country and official channelling of the application to the representative of the donor institution. The partner filing the application is strongly advised to contact this central unit at an early stage in order to coordinate its project and obtain information on how the project application should be structured and what information it should contain. The coordination unit usually has the best overview of the conditions and procedures of the individual bilateral and multilateral donors.

Project ideas/project applications are most likely to be judged eligible for a detailed review by BMZ if

- they are submitted by the unit responsible for coordinating external assistance in the partner country,
- they identify a clear goal to be achieved by the project,
- they are in line with the macro-economic and sectoral/regional goals of the partner country, and enjoy priority within the scope of the development-policy strategy,
- they identify a project executing organisation which has the legal form, human resources and financial capacity necessary for successful project implementation,
- provision is made for active target-group participation in project planning and implementation,
- verifiable indicators are provided that the project will have beneficial (or at least not have any negative) socio-economic, socio-cultural and/or ecological impacts,
- the promotion to be provided by the German Government lies within the usual bounds in terms of volume and feasibility,
- they satisfy the general principles of German development cooperation, and are consistent with the relevant country and sector concepts.

In addition to project proposals initiated and desired by the partner side, experience has shown that in certain cases, the German side's knowledge of the partner country's problems may lead to Germany indicating possibilities for project cooperation and discussing them with the partner.

The project applications filed with the German Government undergo a preliminary screening at BMZ in order to exclude projects of a lower development priority rating as early as possible. To this end, BMZ usually calls for an assessment of the proposed project from GTZ and KfW. When the documents are complete (suitable for appraisal) and if the project is eligible for appraisal – on the basis of the development-policy guidelines of the German Government – GTZ or KfW recommends to BMZ that a project appraisal be carried out. BMZ's decision to follow this recommendation is a major step in the project cycle. Frequently however, further, often expensive and time-consuming investigations are necessary before the suitability-for-appraisal criterion is satisfied. Such studies are usually financed from the pertinent Study and Expert Fund and are closely coordinated between the partner, KfW or GTZ.

On the basis of a positive preliminary commentary, BMZ commissions GTZ or KfW to undertake the actual project appraisal. Appraisals of Technical Cooperation and Financial Cooperation projects follow a standardised procedure, although there are certain differences of detail. Technical Cooperation projects are always appraised using the formalised ZOPP (*zielorientierte Projektplanung*<sup>4</sup>) planning procedure. Both Technical Cooperation and Financial Cooperation appraisals focus special attention on the following aspects:

- analysis of the outset situation ("problem analysis"), taking into account macro-economic, development-policy and sectoral and regional aspects;
- description of the project purpose, the target groups and the development-policy status of the project;
- presentation of the project concept and design particularly in regard to the:
  - division of roles and tasks amongst the participating partners and actors,

---

<sup>4</sup> = Objectives-Oriented Project Planning.

- instruments to be applied, and details of technical implementation planning,
  - agreed objectives,
  - agreed procedures,
  - human resources planning,
  - estimated time frame,
  - thoughts on continuation of the project following completion of German promotion;
- analysis of the competences, professional expertise and economic situation of the project executing organisation;
  - calculation of the overall project costs, taking into account possible follow-on costs, and elaboration of a recommendation for financing;
  - assessment of the project's macro-economic, micro-economic, socio-economic, socio-cultural and ecological impacts;
  - presentation of the preconditions necessary for project success, and the risks which might lead to failure.

Terms of reference closely geared to the above-mentioned appraisal criteria are drawn up for the on-site appraisal by the appraiser or appraisal mission, taking into account the project- and country-specific conditions. The on-site appraisal usually takes three weeks, and is conducted in close cooperation and coordination with

- the target group(s),
- the potential project executing organisation(s),
- the relevant sectoral ministries,
- other partner-country institutions pertinent to the project,
- other donor organisations, where applicable, and
- the German Embassy.

During the final stages of the appraisal, the findings of the appraisal mission and recommendations are discussed with the partner and documented in a report on the results of preparations. The appraisal report itself is a confidential document presented solely to the German Government.

If a positive decision is taken by BMZ on the project recommended in the appraisal report, the German Government enters into an international arrangement with the partner country on project-related

cooperation, and at the same time commissions GTZ (or in certain cases BGR or PTB) to implement the project. For Financial Cooperation projects, the German Government informs the government of the partner country that it has authorised KfW to negotiate and enter into loan or financing agreements with the project partner. In both cases, these steps are the key precondition for project implementation.

### **6.2.3 Project Implementation**

Financial Cooperation projects differ considerably from Technical Cooperation projects during the implementation phase. Whereas GTZ both implements German contributions to Technical Cooperation projects and assigns personnel, KfW subjects the *Financial Cooperation activity* to an intensive appraisal but then transfers project implementation to the contract partner. The project executing organisation then has the formal task of selecting a suitable consulting company to carry out detailed planning of the project and supervise implementation, usually on the basis of competitive bidding. The project executing organisation can also commission KfW to conduct the invitation to tender on its behalf. Whichever option is selected, the order cannot be placed until KfW has given its approval.

Orders for supplies and construction work are subjected to international bidding unless the German Government has decided otherwise. Documents must be submitted to KfW in good time before being published, as must the recommendation for order placement and the contracts for supplies and services to be financed by KfW. During the actual implementation phase, KfW's function is limited to regular on-site project progress reviews and, based on these, to submit recommendations to the project executing organisation on the subsequent course of the project.

In *Technical Cooperation projects*, project appraisal and project implementation are closely linked. GTZ can either implement the project itself by assigning its own personnel and procuring the agreed inputs of materials and equipment, or can invite tenders for these services and sub-contract them (usually to a consulting firm). The selection is made primarily on the basis of economic efficiency criteria.

The decision to sub-contract to a consulting firm rests exclusively with GTZ; the project partner can be consulted, but has no right of co-determination. After sub-contracting, GTZ retains the supervisory and

controlling function in the form of regular project progress monitoring, in order to fully fulfil its responsibility for project implementation as laid down in the commission received from BMZ.

Shortly after commencement of the project, a ZOPP planning workshop is held together with the project executing organisation, in which the target groups directly affected by the project also participate. This workshop updates and operationalises the project plans drawn up in the preparatory phase. The results of this workshop take the form of a detailed plan of operations, stipulating the activities and steps for the ongoing phase of the project.

German promotion of a project can run for 2–15 years depending on the type and scope of activities, although funding allocations are limited to 2- to 3-year periods ("ongoing promotion phases"). The decision to prolong assistance is usually taken within the scope of a project progress review, about 6 months before the end of the respective ongoing promotion phase.

In complex cooperation projects where expedient detailed planning is difficult during the start-up phase, it has become common practice to start with an *open orientation phase* preferably lasting no longer than two years. The open orientation phase, during which different approaches can be tested, provides an opportunity to support the partner side in identifying an appropriate project design. On the basis of the experiences gained, decisions can then be taken as to whether the project is to be continued and, if so, what the appropriate design would be.

#### **6.2.4 Evaluation of Project Implementation and Project Results**

Structured measures to review project implementation status and project results (hereinafter generally referred to as "evaluations") are implemented for various reasons, by partner-country institutions, German institutions, or other donor organisations involved in the joint financing of projects. Evaluations are generally conducted:

- when the project reports that specific results or the project purpose cannot be attained or that important assumptions have not materialised;

- when the general framework conditions change in a manner that will decisively influence project success;
- when preparations are being made for a further project promotion phase, when an orientation phase draws to a close or when the project is in a particularly critical phase;
- when project promotion is phased out;
- when the experience gained in a project is to be used to improve the steering and implementation of similar projects, or to plan new ones ("cross-section analyses").

An evaluation is a systematic review of a project's results and an analysis of its impacts on the target groups, the project environment and the economy. Its purpose is to create the basis for decisions on future project implementation or development planning.

We usually distinguish between ex-ante evaluations (i.e. project appraisal or feasibility study before commencement of a project), parallel evaluation (e.g. project monitoring or project progress reviews by GTZ), and ex-post evaluation (once the project has ended or promotion has been phased out, e.g. a final evaluation by KfW).

The aims of an external evaluation and the priority aspects to be evaluated depend on when the evaluation is being carried out, and on whose behalf:

- supervisory authorities and superior institutions in the partner country;
- regional or sectoral departments at BMZ ("evaluations");
- the BMZ inspection department ("inspections");
- co-financing institutions outside the Federal Republic of Germany or the project country.

Other investigations and examinations of specific areas of the project can also be carried out, e.g. examination by the German Federal Court of Audit.

## 6.2.5 Overview: Course<sup>5</sup> of FC and TC Projects

### Course of a Financial Cooperation Project

#### Project finding

- The partner country and the German Government agree on a project.
- Preliminary examination of the documents by BMZ and KfW.
- Preliminary commentary by KfW.
- Consultation with other ministries involved: KfW is subsequently commissioned to appraise the project.

#### Project appraisal by KfW

- An intensive, detailed examination of the planned project is carried out.
- KfW's appraisal report is submitted to the German Government.
- In the event of a positive decision by the German Government, BMZ commissions KfW to commence contractual negotiations.

#### Government Arrangement

- A Government Arrangement is entered into as the basis under international law for granting Financial Cooperation, and for the pertinent contracts under private law which KfW will enter into with the recipient (loan, warranty and arbitration contracts; for non-repayable grants: financing agreements).

#### Contract, processing and control

- KfW and the partner country enter into a contractual arrangement.
- Project progress is regularly monitored by KfW, reporting to the German Government at least once per year.
- The loan or grant is disbursed according to project progress.
- Upon completion, the project is reviewed by KfW (final inspection report for the German Government).
- After a suitable term of operation, KfW again reviews the results and progress (final report to the German Government).

---

<sup>5</sup> The schematic project outlines shown in this section represent typical scenarios. Specific projects may sometimes follow a slightly different course.

## **Course of a Technical Cooperation Project**

### Project finding

- The partner country files an application with BMZ, via the German Foreign Embassy, for assistance for a specific project.
- BMZ takes a preliminary development-policy decision and requests an offer from GTZ for the further procedure.

### Project appraisal – decision-making

- GTZ draws up an offer for project appraisal/preparation services, i.e. for
  - appraisal of the proposed project,
  - delivery of advisory services for project design to a clearly defined structure on the partner side,
  - clarification of project design and executing organisation structures
  - support to the partner in identifying and designing its project ("open orientation phase").
- On the basis of this offer, BMZ awards a commission for further procedure (usually to appraise the project).
- GTZ carries out an intensive, detailed appraisal of the planned project.
- The project appraisal report is submitted to BMZ.
- BMZ decides whether the project is eligible for promotion and, if it is, calls upon GTZ to submit an offer for project implementation.
- GTZ draws up and submits to BMZ an offer for the German contribution to project implementation.
- After examining the offer and after discussion with other ministries, BMZ places the commission to implement the German contribution.

### Government arrangement

- A government arrangement (Exchange of Notes) on the implementation of a TC project is entered into with the partner country. This arrangement describes the project purpose, the inputs to be provided by each party, and the tasks to be performed within the scope of the project.
- The regulations generally applicable to TC projects (in particular the general rights and duties of the assigned experts and their local partners) are mutually agreed upon in a General Agreement.
- In specific cases (e.g. financial contribution, GTZ International Services), GTZ enters into private-law contracts with the recipient; these stipulate the details of project implementation on the basis of the respective government arrangement.

## **Course of a Technical Cooperation Project**

(continued)

### Implementation and monitoring

- GTZ performs the BMZ commission independently and on its own responsibility, and controls and monitors the professional aspects of the German contribution to the project agreed on with the partner.
- GTZ provides human resources and inputs of materials and equipment, and settles financial obligations vis-à-vis the partner.
- GTZ monitors project progress.
- BMZ reviews the status and results of the measures on the basis of regular reports from GTZ, and also carries out evaluations and inspections.
- GTZ submits the final report on implementation and the results achieved to the German Government.
- BMZ reviews the implementation on the basis of the final report.

## Addresses of Key Development-Policy Institutions in the Federal Republic of Germany

### **Africa Association**

### **Afrika-Verein e.V.**

Neuer Jungfernstieg 21  
20354 Hamburg  
Tel.: ++ 49 (0)40 41 91 33-034 30 51  
Fax: ++ 49 (0)40 35 47 04  
e-mail: [post@afrikaverein.de](mailto:post@afrikaverein.de)  
Internet: <http://www.afrikaverein.de>

### **Association of Experts in the Fields of Migration and Development Cooperation**

### **AGEF gemeinnützige GmbH**

Arbeitsgruppe Entwicklung und Fachkräfte im  
Bereich  
der Migration und der  
Entwicklungszusammenarbeit  
Königswinterstraße 1  
10318 Berlin  
Tel.: ++ 49 (0)30 50 10 85-0  
Fax: ++ 49 (0)30 5 09 78 04  
e-mail: [info@agef.de](mailto:info@agef.de)  
Internet: <http://www.agef.de>

### **Alexander von Humboldt Foundation**

### **Alexander-von-Humboldt-Stiftung (AvH)**

Jean-Paul-Straße 12  
531735 Bonn  
Tel.: ++ 49 (0) 228 833-0  
Fax: ++ 49 (0)228 833-199  
e-mail: [Post@avh.de](mailto:Post@avh.de)  
Internet: <http://www.humboldt-foundation.de>

### **Center for International Cooperation (CIC)**

### **Arbeitsgemeinschaft Center for International Cooperation Bonn (CIC)**

c/o BMZ, Friedrich-Ebert-Allee 40  
53113 Bonn  
Tel.: ++ 49 (0)228 535-32 90,-30 99  
Fax: ++ 49 (0)228 535-39 80  
e-mail: [brandes@bmz.bund.de](mailto:brandes@bmz.bund.de)  
Internet: <http://www.cic-bonn.org>

**Working Group Developing  
Countries of German Business  
(AGE)**

**Arbeitsgemeinschaft Entwicklungsländer  
(AGE)**

Bundesverband der Deutschen Industrie e.V.  
(BDI)

Geschäftsführung: Abteilung

Außenwirtschaftspolitik

Breite Straße 29

10178 Berlin

Tel.: ++ 49 (0)30 20 28 14 15

Fax: ++ 49 (0)30 20 28 24 95

e-mail: [Außenwirtschaftspolitik@bdi-online.de](mailto:Außenwirtschaftspolitik@bdi-online.de)

Internet: <http://www.bdi-online.de>

**Association for Development  
Cooperation**

**Arbeitsgemeinschaft für Entwicklungshilfe**

Personaldienst deutscher Katholiken

für internationale Zusammenarbeit

Ripuarenstraße 8

50679 Cologne

Tel.: ++ 49 (0)221 88 96-0

Fax: ++ 49 (0)221 88 96-1 00

e-mail: [AGEH-Mail@t-online.de](mailto:AGEH-Mail@t-online.de)

Internet: <http://www.ageh.de>

**Federal Institute for Geosciences  
and Natural Resources**

**Bundesanstalt für Geowissenschaften und  
Rohstoffe (BGR)**

Stilleweg 2

30655 Hanover

Tel.: ++ 49 (0)511 6 43-0

Fax: ++ 49 (0)511 6 43-23 04

e-mail: [info@bgr.de](mailto:info@bgr.de)

Internet: <http://www.bgr.de>

**Federal Institute for Materials  
Research and Testing**

**Bundesanstalt für Materialforschung  
und -prüfung (BAM)**

Unter den Eichen 87

12205 Berlin

Tel.: ++ 49 (0)30 81 04-0

Fax: ++ 49 (0)30 8 11-20 29

e-mail: [info@bam.de](mailto:info@bam.de)

Internet: <http://www.bam.de>

**Federal Office of Foreign Trade  
Information**

**Bundesstelle für  
Aussenhandelsinformationen (BfAI)**

Agrippastr. 87-93

50676 Cologne

Tel.: ++ 49 (0)221 20 57-0

Fax: ++49 (0)221 20 57-212,-262,-275

e-mail: [info@bfai.de](mailto:info@bfai.de)

Internet: <http://www.bfai.com>

**Executive Personnel for  
International Organisations Office**

**Büro Führungskräfte zu Internationalen  
Organisationen (BFIO)**

c/o Zentralstelle für Arbeitsvermittlung  
(ZAV)  
der Bundesanstalt für Arbeit  
Villemombler Straße 76  
53123 Bonn  
Tel.: ++ 49 (0)228 713-0  
Fax: ++ 49 (0)228 713-10 36  
e-mail: [bonn-ZAV.bfio@arbeitsamt.de](mailto:bonn-ZAV.bfio@arbeitsamt.de)  
Internet: <http://www.bonn-ZAV.bfio@arbeitsamt.de>

**Carl Duisberg Centres**

**Carl Duisberg Centren gemeinnützige  
Gesellschaft mbH (CDC)**

Hansaring 49-51  
50670 Cologne  
Tel.: ++ 49 (0)221 16 26-0  
Fax: ++ 49 (0)221 16 26-2 22  
e-mail: [cdc@cdc.de](mailto:cdc@cdc.de), [foerderungswerk.cdc@t-online.de](mailto:foerderungswerk.cdc@t-online.de)  
Internet: <http://www.cdc.de>,  
<http://www.foerderungswerk.de>

**Carl Duisberg Society**

**Carl Duisberg Gesellschaft (CDG)**

- see *Capacity Building International, Germany*

**CIM**

**Centrum für Internationale Migration  
und Entwicklung (CIM)**

Bettinastraße 62  
60325 Frankfurt  
Tel.: ++ 49 (0)69 71 91 21-0  
Fax: ++ 49 (0)69 71 91 21-19  
e-mail: [cim@gtz.de](mailto:cim@gtz.de)  
Internet: <http://www.cimonline.de>

**German Association for Asian  
Studies**

**Deutsche Gesellschaft für Asienkunde e.V.  
(DGA)**

Rothenbaumchaussee 32  
20148 Hamburg  
Tel.: ++ 49 (0)40 44 58 91  
Fax: ++ 49 (0)40 4 10 79 45  
e-mail: [post@asienkunde.de](mailto:post@asienkunde.de)  
Internet: <http://www.asienkunde.de>

## GTZ

### **Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH**

Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn  
Tel.: ++ 49 (0)6196 79-0  
Fax: ++ 49 (0)6196 79-11 15  
e-mail: [postmaster@gtz.de](mailto:postmaster@gtz.de)  
Internet: <http://www.gtz.de>

#### *–Bonn Office:*

Zimmer 119, Tulpenfeld 7  
53113 Bonn  
Tel.: ++ 49 (0)228 9 11 74-0  
Fax: ++ 49 (0)228 9 11 74-20  
e-mail: [gtz.bonn@t-online.de](mailto:gtz.bonn@t-online.de)

#### *–Berlin Office:*

Reichpietschufer 20  
10785 Berlin  
Tel.: ++ 49 (0)30 7 26 14-0  
Fax: ++ 49 (0)30 7 26 14-130  
e-mail: [berlin@gtz.de](mailto:berlin@gtz.de)

## **German Investment and Development Company**

### **DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH**

Belvederestraße 40  
50933 Cologne (Müngersdorf)  
Tel.: ++ 49 (0)221 49 86-0  
Fax: ++ 49 (0)221 49 86-290  
e-mail: [Wirtschaftskontakte@deginvest.de](mailto:Wirtschaftskontakte@deginvest.de)  
Internet: <http://www.deginvest.de>

## DSE

### **Deutsche Stiftung für Internationale Entwicklung (DSE)**

*- see Capacity Building International, Germany*

## **German Academic Exchange Service**

### **Deutscher Akademischer Austauschdienst (DAAD)**

Kennedyallee 50  
53175 Bonn  
Tel.: ++ 49 (0)228 882-0  
Fax: ++ 49 (0)228 882-24 44  
e-mail: [postmaster@daad.de](mailto:postmaster@daad.de)  
Internet: <http://www.daad.de>

**German Development Service**

**Deutscher Entwicklungsdienst (DED)  
Gemeinnützige GmbH**

Tulpenfeld 7  
53113 Bonn  
Tel.: ++ 49 (0)228 24 34-0  
Fax: ++ 49 (0)228 24 34-1 11  
e-mail: [poststelle@ded.de](mailto:poststelle@ded.de)  
Internet: <http://www.ded.de>

**Association of German Chambers of  
Industry and Commerce**

**Deutscher Industrie-und  
Handelskammertag (DIHK)**

Servicestelle Außenhandelskammern  
Breite Straße 29  
10178 Berlin  
Tel.: ++ 49 (0)30 2 03 08-0  
Fax: ++ 49 (0)30 2 03 08-10 00  
e-mail: [dihk@berlin.dihk.de](mailto:dihk@berlin.dihk.de)  
Internet: <http://www.diht.de>

**German Development Institute**

**Deutsches Institut für Entwicklungspolitik  
(DIE) GmbH**

Tulpenfeldstraße 4  
53113 Bonn  
Tel.: ++ 49 (0)228 94 92 7-0  
Fax: ++ 49 (0)228 94 92 7-1 30  
e-mail: [DIE@die.gdi.de](mailto:DIE@die.gdi.de)  
Internet: <http://www.die-gdi.de>

**German Institute of Economic  
Research**

**Deutsches Institut für  
Wirtschaftsforschung (DIW)**

Königin-Luise-Straße 5  
14195 Berlin  
Tel.: ++ 49 (0)30 8 97 89-0  
Fax: ++ 49 (0)30 8 97 89-200  
e-mail: [postmaster@diw.de](mailto:postmaster@diw.de)  
Internet: <http://www.diw.de>

**German Overseas Institute**

**Deutsches Übersee-Institut (DÜI)**

Neuer Jungfernstieg 21  
20354 Hamburg  
Tel.: ++ 49 (0)40 4 28 34-5 93  
Fax: ++ 49 (0)40 4 28 34-5 47  
e-mail: [duei@duei.de](mailto:duei@duei.de)  
Internet: <http://www.duei.de>

**Church Development Service**

**Evangelischer Entwicklungsdienst e.V.  
(EED)**

Ulrich-von-Hassell-Straße 76  
53123 Bonn  
Tel.: ++ 49 (0)228 81 01-0  
Fax: ++ 49 (0)228 81 01-1 60  
e-mail: [eed@eed.de](mailto:eed@eed.de)  
Internet: <http://www.eed.de>

**Support Agency for Returning  
Development Experts**

**Förderungswerk für rückkehrende  
Fachkräfte der Entwicklungsdienste bei  
den Carl Duisberg Centren**

Hansaring 49-51  
50670 Cologne  
Tel.: ++ 49 (0)221 92 15 39-11  
Fax: ++ 49 (0)221 16 26-238  
e-mail: [foerderungswerk@t-online.de](mailto:foerderungswerk@t-online.de)  
Internet: <http://www.foerderungswerk.de>

**Friedrich Ebert Foundation**

**Friedrich-Ebert-Stiftung (FES)**

Godesberger Allee 149  
53175 Bonn  
Tel.: ++ 49 (0)228 883-0  
Fax: ++ 49 (0)228 883-396  
e-mail: [presse@fes.de](mailto:presse@fes.de)  
Internet: <http://www.fes.de>

–FES Berlin:

Hiroshimastraße 17  
10785 Berlin  
Tel.: ++ 49 (0)30 2 69 35-6  
Fax: ++ 49 (0)30 2 69 35-8 50  
e-mail: [fes-berlin@fes.de](mailto:fes-berlin@fes.de)

**Friedrich Naumann Foundation**

**Friedrich-Naumann-Stiftung (FNSt)**

Karl-Marx-Straße 2  
14482 Potsdam  
Tel.: ++ 49 (0)331 70 19-0  
Fax: ++ 49 (0)331 70 19-1 88  
e-mail: [fnst@fnst.org](mailto:fnst@fnst.org)  
Internet: <http://www.fnst.org>

**Goethe Institute**

**Goethe-Institut**

Helene-Weber-Allee 1  
80637 Munich  
Tel.: ++ 49 (0)89 1 59 21-0  
Fax: ++ 49 (0)89) 1 59 21-450  
e-mail: [zv@goethe.de](mailto:zv@goethe.de)  
Internet: <http://www.goethe.de>

**Hamburg Institute of International Economics**

**Hamburgisches Welt-Wirtschafts-Archiv (HWWA)**

Neuer Jungfernstieg 21  
20347 Hamburg  
Tel.: ++ 49 (0)40 4 28 34-0  
Fax: ++ 49 (0)40 4 28 34-451  
e-mail: [hwwa@hwwa.de](mailto:hwwa@hwwa.de)  
Internet: <http://www.hwwa.de>

**Hans Seidel Foundation**

**Hanns-Seidel-Stiftung e.V. (HSS)**

Lazarettstraße 33  
80636 Munich  
Tel.: ++ 49 (0)89 12 58-0  
Fax: ++ 49 (0)89 12 58-359  
e-mail: [Prell@hss.de](mailto:Prell@hss.de)  
Internet: <http://www.hss.de>

**Heinrich Böll Foundation**

**Heinrich-Böll-Stiftung e.V. (HBS)**

Rosenthaler Straße 40/41  
10178 Berlin  
Tel.: ++ 49 (0)30 2 85 34-0  
Fax: ++ 49 (0)30 2 85 34-1 09  
e-mail: [info@boell.de](mailto:info@boell.de)  
Internet: <http://www.boell.de.425>

**Hermes Credit Insurance AG**

**Hermes Kreditversicherungs-AG**

Friedensallee 254  
22746 Hamburg  
Tel.: ++ 49 (0)40 88 34-0  
Fax: ++ 49 (0)40 88 34-77 44  
e-mail: [info@hermes-kredit.com](mailto:info@hermes-kredit.com)  
Internet: <http://www.hermes-kredit.de>

**Ibero-American Association**

**Ibero-Amerika Verein e.V.**

Alsterglaxis 8  
20354 Hamburg  
Tel.: ++ 49 (0)40 4 13 43 13  
Fax: ++ 49 (0)40 45 79 60  
e-mail: [info@ibero-amerikaverrein.de](mailto:info@ibero-amerikaverrein.de)  
Internet: <http://www.ibero-amerikaverrein.de.426>

**IFO Institute**

**ifo-Institut für Wirtschaftsforschung e.V.**

Poschingerstraße 5  
81679 Munich  
Tel.: ++ 49 (0)89 92 24-0  
Fax: ++ 49 (0)89 98 53 69  
e-mail: [ifo@ifo.de](mailto:ifo@ifo.de)  
Internet: <http://www.ifo.de>

**Inter Nationes**

**Inter Nationes e.V.**

Kennedyallee 91-103  
53175 Cologne  
Tel.: ++ 49 (0)228 8 80-0  
Fax: ++ 49 (0)228 8 80-4 57  
e-mail: [info@inter-nationes.de](mailto:info@inter-nationes.de)  
Internet: <http://www.inter-nationes.de>

*–Munich Head Office: see Goethe Institute*

**Capacity Building International,  
Germany**

**InWent –  
Internationale Weiterbildung und  
Entwicklung gGmbH**

Weyerstraße 79-83  
50676 Cologne  
Tel.: ++ 49 (0)221 20 98-0  
Fax: ++ 49 (0)221 20 98-111  
e-mail: [info@inwent.org](mailto:info@inwent.org)  
Internet: <http://www.inwent.org>

**Churches' Development Service**

**Kirchlicher Entwicklungsdienst (KED)**

c/o Kirchenamt der EKD  
Herrenhäuser Straße 12  
30419 Hanover  
Tel.: ++ 49 (0)511 27 96-0  
Fax: ++ 49 (0)511 27 96-707  
e-mail: [ekd@ekd.de](mailto:ekd@ekd.de)  
Internet: <http://www.ekd.de>

**Konrad Adenauer Foundation**

**Konrad-Adenauer-Stiftung e.V. (KAS)**

Rathausallee 12  
53757 St. Augustin  
Tel.: ++ 49 (0)2241 2 46-0  
Fax: ++ 49 (0)2241 2 46-5 39  
e-mail: [zentrale@kas.de](mailto:zentrale@kas.de)  
Internet: <http://www.kas.de>

*–KAS Berlin*

Tiergartenstraße 35  
10785 Berlin  
Tel.: ++ 49 (0)30 2 69 96-0  
Fax: ++ 49 (0)30 2 69 96-261  
e-mail: [ZENTRALE-BERLIN@kas.de](mailto:ZENTRALE-BERLIN@kas.de)

**KfW****Kreditanstalt für Wiederaufbau (KfW)**

Palmengartenstraße 5-9  
60325 Frankfurt/Main  
Tel.: ++ 49 (0)69 74 31-0  
Fax: ++ 49 (0)69 74 31-29 44  
e-mail: [vsb@kfw.de](mailto:vsb@kfw.de)  
Internet: <http://www.kfw.de>

*–FC Office in Berlin*

Charlottenstraße 33/33a  
10117 Berlin  
Tel.: ++ 49 (0)30 2 02 64-0  
Fax: ++ 49 (0)30 2 02 64-5188  
e-mail: [KFW.FZ-Berlin@kfw.de](mailto:KFW.FZ-Berlin@kfw.de)

**The German Near and Middle East Association****Nah- und Mittelost-Verein e.V. (NuMoV)**

Große Theaterstraße 1  
20354 Hamburg  
Tel.: ++ 49 (0)40 45 03 31-0  
Fax: ++ 49 (0)40 45 03 31-31  
e-mail: [numov@numov.de](mailto:numov@numov.de)  
Internet: <http://www.numov.de>

**German Asia-Pacific Business Association****Ostasiatischer Verein e.V. (OAV)**

Neuer Jungfernstieg 21  
20354 Hamburg  
Tel.: ++ 49 (0)40 35 75 59-0  
Fax: ++ 49 (0)40 35 75 59-25  
e-mail: [oav@oav.de](mailto:oav@oav.de)  
Internet: <http://www.oav.de>

**Eastern and Central Europe Association****Ost- und Mitteleuropaverein e.V.**

Ferdinandstraße 36  
20095 Hamburg  
Tel.: ++ 49 (0)40 33 93 71,33 89 45  
Fax: ++ 49 (0)40 32 35 78  
e-mail: [info@omv.de](mailto:info@omv.de)  
Internet: <http://www.omv.de>

**Federal Institute of Physics and Metrology****Physikalisch-Technische Bundesanstalt (PTB)**

Bundesallee 100  
38116 Braunschweig  
Tel.: ++ 49 (0)5 31 592-82 00  
Fax: ++ 49 (0)5 31 592-82 25  
e-mail: [presse@ptb.de](mailto:presse@ptb.de)  
Internet: <http://www.ptb.de>

*-PTB Berlin*  
Abbestraße 2-12  
10587 Berlin  
Tel.: ++ 49 (0)30 34 81-1  
Fax: ++ 49 (0)30 34 81-4 90

**Rosa Luxemburg Foundation**

**Rosa Luxemburg Stiftung (RLS)**  
Franz-Mehring-Platz 1  
10243 Berlin  
Tel.: ++ 49 (0)30 29 78 42 21  
Fax: ++ 49 (0)30 29 78 42 22  
e-mail: [info@rosaluxemburgstiftung.de](mailto:info@rosaluxemburgstiftung.de)  
Internet:  
<http://www.rosaluxemburgstiftung.de>

**Senior Expert Service**

**Senior Experten Service (SES)**  
Buschstraße 2  
53113 Bonn  
Tel.: ++ 49 (0)228 2 60 90-0  
Fax: ++ 49 (0)228 2 60 90-77  
e-mail: [ses@ses-bonn.de](mailto:ses@ses-bonn.de)  
Internet: <http://www.ses-bonn.de>

**Foundation for Economic  
Development and Vocational  
Training**

**Stiftung für wirtschaftliche Entwicklung  
und berufliche Qualifizierung (SEQUA)**  
Mozartstraße 4-10  
53115 Bonn  
Tel.: ++ 49 (0)228 9 82 38-0  
Fax: ++ 49 (0)228 9 82 38-19  
e-mail: [info@sequa.de](mailto:info@sequa.de)  
Internet: <http://www.sequa.de>

**German Confederation of Small  
Businesses and Skilled Crafts**

**Zentralverband des Deutschen Handwerks  
(ZDH)**  
Mohrenstraße 20/21  
10117 Berlin  
Tel.: ++ 49 (0)30 2 06 19-0  
Fax: ++ 49 (0)30 2 06 19-460  
e-mail: [info@zdh.de](mailto:info@zdh.de)  
Internet: <http://www.zdh.de>