

Speech by the Chair of the GIZ Management Board, Tanja Gönner, at the 2021 annual press conference

Seeing the crisis as an opportunity: a stronger future with a green recovery

Good morning State Secretary Martin Jäger,
ladies and gentlemen,

Welcome to those of you here in the room, and, of course, to those who are again joining us this year virtually.

The fact that the annual press conference is being held digitally for the second time is only one small aspect that demonstrates how the world – and with it our work – has changed. The COVID-19 pandemic has shone a spotlight on this. It has made the situation more serious in fragile contexts and has thwarted advances in development already achieved. However, the world was changing before the start of the pandemic. Changes have occurred in many areas in the ten years since GIZ was established. The world has become a more troubled place. More and more states are considered to be unstable. They cannot provide their citizens with basic services or they have lost the state monopoly on the use of force in their territory: this includes many countries in Africa and the Middle East. Against this background, GIZ is working under extremely difficult conditions more and more. More than half (56 per cent) of our field staff members are working in fragile locations.

In the ten years since our organisation was established, we have scrutinised our work again and again and adjusted to the changing conditions. Here our many years of experience have – and still do – benefit us, including from the organisations that preceded GIZ – DED, GTZ and InWEnt. This is true of new challenges such as the COVID-19 pandemic, where we were able to draw on our experience from previous assignments such as for Ebola. However, it also applies to areas we have been working in for a long time, such as poverty reduction, agricultural development and education. Digital approaches that allow us to reach even more people are becoming increasingly important. Digital approaches have been important for our work during the COVID-19 pandemic and remain so. For example, in Yemen, where digital learning opportunities have allowed 500,000 people to obtain school-leaving qualifications despite all the limitations caused by the pandemic.

If we look back over the past year, our work has primarily focused on providing a fast and flexible response to the immediate effects of the COVID-19 pandemic. We have been involved in implementing the Emergency COVID-19 Support Programme of the German Development Ministry with measures amounting to EUR 253 million. This has allowed us to reach more than 208 million people with COVID-19 information campaigns, around half of whom were in sub-Saharan Africa. We have equipped developing countries and emerging economies all over the world with personal protective equipment, test kits and medical equipment, including ventilators, worth more than EUR 53 million. GIZ reached more than 14 million people with emergency aid and measures designed to secure livelihoods – mainly

in Asian countries such as Indonesia, India and Cambodia. And as 'Team Europe', Europe, with its EU institutions, member states and implementing organisations, which also include GIZ, provided nearly EUR 36 billion for less developed countries to fund projects and programmes relating to the COVID-19 pandemic.

All this is a rapid response that was and is urgently required. Nevertheless, this alone is not enough to deal with the often drastic consequences of the pandemic. The poverty rate is increasing for the first time since 1990; according to figures from the UN, up to 130 million people are facing hunger as a result of COVID-19 alone. The pandemic is exacerbating social inequalities. This applies to around 1.5 billion school pupils globally, who are affected by schools closing, and 450 million women, who are living without social protection and without a job.

However, I don't want to present the COVID-19 pandemic purely as an obstacle. Quite the reverse: I am convinced that a crisis such as this also provides the opportunity to shape the coming decade together and make it even more sustainable in the spirit of a social and ecological market economy.

The route has been signposted: the Sustainable Development Goals (SDGs), which always determine how we act as regards international cooperation, continue to map out the direction. And today they are more significant than ever. If we use the 2030 Agenda as a compass to align ourselves with the changed requirements, we can support our cooperation countries in coping with the effects of the pandemic both in the short term but, above all, in the long term. The title of our Integrated Company Report is 'Stability and Change' and is an appropriate summary of the principle of building on what already exists yet still continuing to develop. This is precisely what is required. It is not enough to restore the situation as it was before the pandemic. In order to come out of the crisis stronger, we must create more sustainable and resilient conditions. As an example: in South Africa we are currently supporting the distribution of COVID-19 vaccines on behalf of BMZ and providing the population with information on the vaccinations. However, the task in the long term will be to support the South African Government, together with local partners, in developing capacity so that they can produce vaccines themselves and thus supply Southern Africa. It is about vaccines for many diseases such as malaria. This strengthens resilience and represents a structural change far beyond COVID-19, which reduces the dependency on monopolies and global supply chains.

The crisis has provided a clear illustration as never before of how closely our well-being as humans is intertwined with the well-being of animals, nature and the environment. It is all the more important to press ahead with what was already important before the crisis but was not implemented with enough vigour, and that is socially just, environmentally conscious and climate-friendly economic and social orders. We are therefore committed to a green recovery together with our partners and commissioning parties. What is now important for our work is to lay the foundation for a socially just and resilient upturn, which is also ecologically sustainable. New, environmentally conscious technologies are part of such 'green' growth. I am referring to renewable energy – an area where we have been working on behalf of the Federal Ministry for the Environment (BMU) in Chile, for example, since 2008. This is a country that has, within just a few years, advanced to become a pioneer in renewable energy

and which we are also advising on green hydrogen, a topic for the future. Again, there are smart farming methods such as in Tunisia, where an app helps to irrigate fields efficiently whilst also increasing yields. These also include employment programmes in areas that are close to nature or the establishment of capital markets for sustainable investors such as in South Africa. We work with the United Nations to assist the government there to make greater use of green bonds to raise capital for environmentally friendly projects.

There is great potential in a green recovery that we can make much greater use of. In Indonesia, as part of the German Ministry of the Environment's International Climate Initiative, we are providing advisory services for a large-scale green economic stimulus package established by the government. One of the aims of this is to increase the country's daily recycling capacity to 40,000 tonnes and create up to 75,000 new jobs in this sector alone by 2022. The aim is to create a further 150,000 jobs in agriculture. The objective is also to cut greenhouse gas emissions by 330,000 tonnes over the next 25 years thanks to greater use of renewable energy. In the spirit of a fairer global society, it is more important than ever to share knowledge and experience. If we – and here I mean the international community globally – together establish structures that break down dependencies and promote resilience, a new perspective will arise from the crisis.

I am delighted that, this year too, our business volume reflects the fact that GIZ is recognised as an experienced, effective partner in the field of international development. Since 2013, GIZ's business volume has been increasing steadily, from EUR 1.9 billion in 2013 to EUR 3.3 billion last year. That is an increase of 74 per cent. It is a level of growth that shows how important international cooperation is and gives us an incentive and an obligation at GIZ to use these funds responsibly. In 2020, the main commissioning party was again the German Federal Ministry for Economic Cooperation and Development (BMZ) with EUR 2.7 billion, a year-on-year increase once again. Co-financing accounted for around EUR 481 million. This is a sharp increase of 25 per cent compared to the previous year. Co-financing refers to funds where third parties contribute to projects that already exist, because they are convinced that our work is effective.

At GIZ, we work for the German Federal Government as a whole. The income we received from other German public sector clients also saw a sharp increase last year, rising by 24 per cent to EUR 445 million. Here, EUR 270 million alone was received from the German Environment Ministry (BMU), with EUR 97 million from the German Federal Foreign Office.

If we look at the public-benefit sector as a whole, co-financing has also seen very positive progress. With around EUR 508 million last year, GIZ saw an increase of 17 per cent compared to 2019 and thus a new record level.

I would like to focus particularly on GIZ's business volume with the EU: It has increased steadily over recent years and has almost tripled since 2015 to EUR 428 million in 2020. This is made up of direct commissions via GIZ International Services (EUR 43.5 million) and co-financing from the EU in the public-benefit sector (EUR 384.7 million). The EU is therefore GIZ's second largest commissioning party.

In 2020, we were awarded more than half of GIZ's commissions through ideas competitions with other public and public-benefit institutions. Receipts from four special initiatives from the

German Development Ministry accounted for a special share of this funding. We also compete against other organisations as part of the BMU's International Climate Initiative and have successfully contributed our proposals.

This tremendous effort – particularly during a pandemic that it was impossible to plan for – has only been possible with the help of our committed staff. At the key date of 31 December 2020, 23,614 colleagues worldwide were working for GIZ – more than ever before. Around 70 per cent (15,988) of them are national personnel, who come from the partner countries or live in these countries; in addition, around 2,600 are seconded employees working outside Germany. Together they represent GIZ's strength in 120 countries where we work locally, with people from 156 countries.

I would like to close on an optimistic note: GIZ is not alone in wishing to create a future worth living for everyone in the world. It is part of a strong network that has cooperation arrangements at many levels. Multilateral and bilateral approaches complement and enhance each other. As a result, and through continuously adapting our own methods and instruments, the current crisis is an opportunity for the international community to work together to create a better future and one that will make for a better life everywhere in the world.

Thank you very much.