

Speech by the Chair of the GIZ Management Board, Tanja Gönner, at the 2013 annual press conference

### **Solutions that work**

Good morning, Mr State Secretary,

Good morning, Ladies and Gentlemen,

And a warm welcome to you all. I'd like to invite you to join me in looking back at 2012, which was an exciting year, and in taking a look at developments in 2013.

This is **my first annual press conference as Chair of the GIZ Management Board**, and I'm delighted to be able to share some details with you of GIZ's most successful year so far:

- Internationally, GIZ is breaking into new markets in industrialised countries and emerging economies.
- Our work is delivering results. This enabled us to improve the lives of millions of people.
- We reached the key milestones for integration in the company.
- Our services were in greater demand than ever before.

And this is reflected in last year's business figures. GIZ's business volume of around EUR 2.1 billion made fiscal 2012 a highly successful year for the company.

The Federal Ministry for Economic Cooperation and Development (BMZ) not only represents the shareholder – the Federal Republic of Germany – vis-à-vis GIZ (a role it performs jointly with the Federal Ministry of Finance). But last year, we also received business from BMZ worth EUR 1.63 billion (77 per cent of our total) – a figure that includes EUR 179 million in cofinancing contributions from other donors. In other words, BMZ was a linchpin of this success.

At this point I'd like to make special mention of the fact that, in July last year, BMZ awarded GIZ a further EUR 247 million at short notice, made up of flows from the European Development Fund (EDF). This unplanned increase in funding enabled us to substantially boost the results of our work once again.

GIZ is a service provider for the whole German Government. The commissions we receive from other federal ministries, such as the Federal Foreign Office and the Federal Ministry for

the Environment, Nature Conservation and Nuclear Safety, account for some 10 per cent of our total volume.

Increasingly, other commissioning parties are also relying on our solutions that work. Around 11 per cent of our total business volume (some EUR 230 million) comes from commissions we receive directly from foreign governments, such as the Government of Saudi Arabia, as well as from multilateral organisations such as the EU, private enterprises such as Shell and foundations such as the Bill & Melinda Gates Foundation. With this substantial share we support **international cooperation without using German tax revenue**.

The strong demand for our services is also a successful outcome of our **reorientation as a provider of international cooperation services for the whole German Government**.

Today, GIZ is not just involved in 'traditional' cooperation with developing countries. Our services are also in demand in emerging economies and industrialised countries, for example on the European single market and in Germany. Our portfolio in these settings is geared to areas in which Germany is an international leader – such as technical and vocational education and training.

Germany's successful track record in vocational education and training has also been recognised in the **USA**. There people are talking about a skills gap – the gap between what skilled workers are able to do, and what companies are after.

The fact that GIZ has helped millions of young people around the world receive proper training – last year alone the figure was around 100,000 – has now brought our know-how to the attention of actors in the USA. This is an exciting process for GIZ. We are quite literally entering 'uncharted territory', because we have never operated in the USA in this form before.

Tomorrow, on 25 June, GIZ's first office in the USA will be opening its doors in Charlotte, North Carolina. Our work schedule includes taking part in forthcoming invitations to tender in the field of technical and vocational education and training, which might then result in specific commissions by the end of this year.

Given our acknowledged expertise, it is nothing out of the ordinary for us to receive vocational education and training commissions from other countries. **Saudi Arabia** for instance has renewed a commission placed with GIZ worth EUR 18 million, in which we are training vocational school teachers to provide instruction in the trades of the future. The Saudi technical trainers are now able to teach subjects such as production engineering, air

conditioning and refrigeration engineering, electrical engineering, telecommunications and IT application development.

One example of our work in the EU is **Greece**. In September 2011 the European Commission launched a formal process to assist Greece with technical expertise from EU member states. On the German Government's behalf, GIZ has been supporting this process intensively right from the start. We are currently advising the Greek Government on the preparatory steps for reforming local and regional administration, and the health sector. From July onward we also expect to be providing advice on developing renewable energies.

In **Germany** GIZ is implementing a variety of commissions for the various federal states. For the state of North Rhine-Westphalia, for instance, we are helping improve economic relations with China. GIZ is currently developing and organising a leadership programme for Chinese executives in Shanxi province, covering numerous aspects of 'ecological structural change'. The province faces challenges similar to those tackled by the Ruhr region since the 1960s. Intensive exchange with North Rhine-Westphalia is therefore a particularly attractive option for the Chinese partners. GIZ is thus connecting the interests of Germany, North Rhine-Westphalia, the private sector and partners in other countries, and fostering new cooperation arrangements.

In the interests of Germany and the other countries involved, GIZ is also addressing the **shortage of skilled labour**. Germany needs more professionals to keep the economy running smoothly. GIZ has therefore been commissioned by the Federal Ministry of Economics and Technology to recruit skilled labour from Asia for professions where there is a skills shortage.

Interested professionals – such as nurses – receive information and preparatory support from local advisors in their home countries. They are then assisted in finding a job in Germany.

GIZ is also currently involved in recruiting experts in Tunisia for the German labour market. On behalf of the Federal Foreign Office we are working with the Federal Employment Agency to bring 100 Tunisian engineers to Germany.

The fact that people both in Germany and in partner countries benefit from our work applies in particular to the innovative projects that we implement **in cooperation with the private sector**.

One example is our cooperation with the Kirchner Solar Group in Uganda. Although solar power is the cheapest form of power generation, solar technology is catching on rather

slowly due to the high investment costs. At the same time, we noticed that **mobile phone masts** powered by noisy diesel generators are everywhere in **Uganda**. This led to the idea of powering the masts using solar power systems that are also capable of supplying households in the vicinity. The investment costs for the plant are being met by the major mobile communications provider, and local villagers are gaining access to cheap energy.

Supplying clean energy at low cost is a key contribution to poverty reduction. Children can study better in schools with electric light. Small enterprises are able to operate more productively with electricity. Health centres can refrigerate their medicines.

We deliver results on a huge scale thanks to the combined effects of numerous innovative solutions of this kind. The example from Uganda is just one of many. Over the last eight years, on BMZ's behalf, GIZ has provided **ten million people in Africa, Asia and Latin America with access to energy**. One result of this is that 11,000 health centres and schools and 24,000 small enterprises are now connected to a power supply.

Water is another area where we deliver major results. GIZ is for instance advising some 400 water supply and sanitation companies all over the world. Over the last ten years, this has enabled **more than 100 million people** to benefit from a safe water supply and proper sanitation.

Our broad portfolio encompasses not just water and energy, but finance too. We are advising central banks and supervisory authorities in 32 countries that are **home to more than half the world's population**. In most countries our aim is to help improve protection for banking and insurance clients, against insolvency for instance.

Everything we achieve, we achieve with our staff. As at 31 December 2012 GIZ employed a total workforce of 16,229. Of these, 3,149 were employed in Germany, 1,961 were seconded to partner countries and just under 70 per cent of the workforce – 11,119 individuals in all – were employed as national personnel. A further 2,300 people also work for GIZ: around 450 'weltwärts' volunteers, some 1,000 integrated and returning experts and **around 900 development advisors**, with whom we'll be celebrating the fiftieth anniversary of this important instrument of cooperation over the next few days.

It's primarily thanks to our staff that the reorientation of the company has been a success in such a short space of time. Through their outstanding commitment, proven expertise and creativity they have identified solutions to new and complex problems time and time again. I would like to express my sincere thanks to all our staff for this achievement.

To conclude, I would like to mention that GIZ is a learning organisation that deals transparently with the results of its work. These results are central to what we do. To substantiate them, we regularly subject our work to scrutiny. Our evaluation report, which is published every two years, summarises the outcome of this review. Please feel free to pick up a copy today.

After my first year at GIZ I can say that I've been able to see for myself the commitment and professionalism with which our staff go about their work, sometimes under extremely difficult circumstances. In Afghanistan, for instance. It's impossible to judge what the day-to-day life of our experts is like until you've seen it with your own eyes. I have great respect for our staff there.

Another striking aspect is the desire shown by the people we support to shape their own path. New prospects are on the horizon for the young women we are supporting on the German Government's behalf at Balk University in Afghanistan – which is really great to see. It's encounters like these that keep reminding us what we are working for.

Thank you.