

Speech by the Chair of the GIZ Management Board, Thorsten Schäfer-Gümbel, at the 2023 annual press conference

The transition to a new era is reshaping development cooperation

Good morning State Secretary Jochen Flasbarth,
good morning ladies and gentlemen,

Welcome to everybody here in the room and of course a warm welcome to those of you joining us via livestream.

At the end of April, I returned from a business trip to Ethiopia. It was a trip that emphatically reminded me how much the country is struggling with multiple problems: drought, food insecurity and climate change, in addition to huge population growth and armed conflict. Jobs are lacking, as are security, equal rights and prospects.

What I observed in Ethiopia applies to many other countries in the global South with crises such as the COVID-19 pandemic or climate change stacking up worldwide. One consequence is that more and more people are living in poverty and suffering from hunger. Russia's war of aggression against Ukraine is worsening global food and energy security. If fertiliser and wheat imports collapse, food will become even scarcer than it already is, especially in Africa. Today, over 150 million more people go hungry than before the COVID-19 pandemic.

We are contending with interconnected and intensifying crises: from climate change and armed conflict to the repercussions of the COVID-19 pandemic. Their impact is setting back development of the global South in many ways: for example, in education, health and the major topic of social inequality. All of this is destabilising societies. Democracy and participation are being weakened!

These interconnected crises are the hallmark of what German Chancellor Olaf Scholz has referred to as the watershed era we are currently living through. They place additional demands on development cooperation. And on GIZ, too, in its role as implementor. We are rising to this challenge. We need to work effectively and swiftly even when conditions are changing.

Each and every one of us has a responsibility to sustainably mitigate the effects of crises in the global South, to work together to address existential challenges and to make states and societies more resilient.

The decisive factor here is HOW international cooperation tackles this. We must continue to evolve development cooperation and hone our instruments to offer prompt, customised services that meet the new requirements.

With our new corporate strategy, we are laying the groundwork for this at GIZ. We want to become more flexible and more digital, and to work more closely with our partners. This will allow us to remain effective, functional and nimble – including in times of interconnected crises. One important point here is to make more use of instruments and approaches that have proven successful – regionally or in other country contexts – thus establishing standard practices, if you will, and thereby saving time and resources.

To ensure that we can act effectively and swiftly, we want to strengthen partnerships on the ground – from civil society to the government level – and partnerships in service delivery. Consistent cooperation-building with multilateral partners, and with the digital economy and/or foundations, among others, will help us do this. To sum up: by pooling our knowledge and skills, we can do and achieve much more.

We will rely even more stringently on data-based approaches. We see digitalisation as a driver for development and a genuine opportunity. Here, we put people and their needs at the centre and work for equal access. In Malawi, GIZ has worked with UNICEF to establish a drone academy for aspiring female pilots. This creates jobs and high-speed supply chains: urgent medicines are flown by drone to remote areas, reaching more than 750,000 people. The drones collect data en route that can be used in the agricultural sector too, for example, to plan sowing. This makes supply chains robust and creates jobs, not just for drone pilots, but also data analysts. GIZ is coordinating the drone network and advising the Malawian Government on further expanding transport. In this way, drone technology is spurring the country's technical and agricultural development, strengthening health care and making the country more resilient. The approach is working – and is now being rolled out to Niger and Ethiopia as a result.

As a highly effective federal enterprise in international and development cooperation, we are in no doubt: the global future issues of our time need interdisciplinary responses that address their interrelated nature.

We are currently preparing for this and are taking a cross-project approach in our planning. For example, if we dovetail practices from the fields of energy, the environment and good governance, we can offer our clients and partners holistic and thus even more effective solutions to combat climate change.

This enables our more than 25,000 staff members around the world to contribute their knowledge and practical experience more effectively and swiftly into an array of projects. And it empowers them to develop creative ideas as part of interdisciplinary teams that pool various areas of technical knowledge for overarching approaches. In new commissions, our people can draw on proven solutions and adapt them for the client in question. Ultimately, it allows us to get going faster.

Our work in Kenya shows how this can be done. Green hydrogen is premised on renewable energy and a stable power grid. Accordingly, we are pooling our in-house knowledge: colleagues who advise the government on legal regulations for renewable energy and identify suitable sites for wind and solar energy are working hand in hand with our hydrogen experts. They, in turn, take into account what our agricultural experts know about fertiliser production, minerals and soil health when planning production. In this way, we combine the goals of different clients and make efficient use of financial resources.

Yet another example: we are promoting electromobility in Kenya – which also entails training the skilled workers needed. Our vocational training project is developing the curricula for this. Here, too, the disciplines dovetail seamlessly across project boundaries. Under the new P+ climate and development partnership, we are reinforcing this integrated work.

Unfortunately, crises shape our day-to-day reality. Two thirds of our countries of assignment are suffering crises, violence and conflicts. Be it in Ukraine, Mali or Sudan: in the event of a crisis, we are able to quickly redirect our activities and remain capable of action, for instance, through our local partners. As a federal enterprise, GIZ creates prospects worldwide with the involvement of the local population. With our work in crisis countries and conflict regions, we provide very concrete support to the communities on the ground. We have a particular focus on women. Wherever women and girls have a chance to contribute, there is less poverty and hunger, and greater prosperity and security. Yet women and girls are the largest disadvantaged group: their rights are limited in many areas, they have fewer resources and are not adequately represented politically. That is why we have systematically anchored the empowerment of women in everything we do.

We are, after all, well aware that security for people and equitable participation are premised on people having prospects, on women knowing and being able to assert their rights, on the reliable supply of clean water and food, on the prevalence of social justice and on children being able to go to school. This is the foundation on which a country can gain political and social stability, become more crisis-resistant and continue on its development pathway. After all, development is pivotal for peace.

In addition to short-term aid, the aim is therefore – wherever possible – to think beyond the acute crisis, even in a fragile context. In Ukraine, for example, we are creating sustainable structures on behalf of the German Government and other

clients. We are already supporting the country in the areas of infrastructure and economic reconstruction.

We see ourselves as a learning organisation. That is all the more important in view of the wide variety of crises and political trends worldwide. Close and long-standing dialogue, good networking and exchange with stakeholders in our countries of assignment are instrumental to finding the right approaches for our work. This is also reflected in the title of the Integrated Company Report: **‘understand, embrace, transform’**. This applies to our work on the ground. And it applies to GIZ as a company. The approach has accompanied us through the past crisis-ridden years and ensures that we are a service provider with strong implementation capabilities even in times of multiple crises.

The 2030 Agenda provides guidance for our work. In 2015, the United Nations adopted the Sustainable Development Goals (SDGs). In September, their mid-term review is due in New York. It is already clear that there is still a long way to go to achieve social justice, food security, climate adaptation and many more of the 17 goals. It is essential that we join forces to shoulder this task. So, as we look ahead to the next seven years through to 2030, the same holds true: we, as a global community, cannot let up under any circumstances! Quite the contrary: we need to redouble our efforts. The mid-term review of the SDGs will reveal only modest progress – not least because the COVID-19 pandemic has wiped out past development gains, and the impact of Russia’s war of aggression has left deep dents on the funding lines of global agendas.

The industrialised countries have a clear share of responsibility to promote development worldwide and make states and societies more resilient in the long term. The SDGs serve as our yardstick. The more and the better we reach them, the lower the risk of crises, wars, fragility and the movement of displaced populations in the global South.

If we make progress in equal measure on environmental, economic and social issues through international cooperation, we will make a lasting difference to the lives and prospects of the people we serve.

When I say that we can only do all this as a community, I mean, on the one hand, the global community. But – and this is something I am particularly proud of as Labour Relations Director – I am also referring to the unbelievably dedicated people working at GIZ. A total of 25,422 people from 155 nations are working on our goals worldwide. Of that number, 17,120 are national staff. The region that is home to the largest number of staff – 9,117 – is sub-Saharan Africa. I am also proud that the share of women among our staff is 51.1 per cent – and, in Germany, that figure is as much as 65.5 per cent.

At around EUR 4 billion, GIZ's business volume in 2022 increased by 8 per cent year on year, breaking a new record. Our main commissioning party was the German Federal Ministry for Economic Cooperation and Development with EUR 3.4 billion. What we refer to as cofinancing accounted in total for more than one-seventh of our income in the public-benefit business area last year at EUR 572 million. These are funds supplied by third parties such as the European Union, UN organisations and private foundations to expand existing projects and thereby extend their reach.

We also work closely with the private sector – as partners, but also as commissioning parties, for example through the International Services (InS) business area. InS recorded significant growth again in 2022. Total operating performance increased to EUR 200 million, up 48 per cent year on year, and by as much as 85 per cent relative to 2020. In 2022, InS celebrated its 20th anniversary. Since 2002, this business area has implemented more than 1,000 projects with a volume of more than EUR 3.5 billion.

The largest commissioning party in the InS business area and also the largest source of cofinancing in the public-benefit business area is still the European Union. Last year, GIZ's business volume with the EU totalled EUR 479 million.

GIZ proved yet again last year that it is making a tangible and lasting difference for people on the ground with its expertise, networks and partners. Let's continue to advance the goals of the 2030 Agenda together and shape the transition to a new era!