

COMPANY REPORT 2011

GIZ worldwide



Key

This map uses coloured dots to show GIZ locations around the globe. The red dots indicate offices that GIZ shares with KfW and in some cases other German development organisations. The grey dots mark locations where GIZ has an office of its own. GIZ also operates in many other countries, though without any office presence. These countries are not highlighted on the map.

- GIZ in country office with other German development organisations
- GIZ office

Offices in Germany

GIZ's registered offices are in Bonn and Eschborn. The company is also represented at 19 other locations in Germany.

- | | | |
|---------------|-------------|----------------------|
| ○ Bonn | 6 Frankfurt | 13 Hamburg |
| ○ Eschborn | 7 Mannheim | 14 Hanover |
| 1 Düsseldorf | 8 Stuttgart | 15 Schwerin |
| 2 Bad Honnef | 9 Feldafing | 16 Magdeburg |
| 3 Saarbrücken | 10 Munich | 17 Erfurt |
| 4 Wiesbaden | 11 Bremen | 18 Leipzig-Zschortau |
| 5 Mainz | 12 Kiel | 19 Berlin |

Highlights of 2011



The new-look GIZ

1 January 2011

As 2011 dawned, GIZ's offices put up the new logo – an important step forward for the new company, and one which marked the start of our integration process.



The Chancellor visits Eschborn

3 March 2011

Chancellor Angela Merkel and Dirk Niebel, Federal Minister for Economic Cooperation and Development, visited GIZ in March. It was a truly historic event, as Bernd Eisenblätter, Chairman of the Management Board, pointed out. It was the first time a federal chancellor had ever visited GIZ's Eschborn office. As well as meeting with the Management Board and executives, and addressing the workforce, the visitors were offered a themed presentation covering the vast spectrum of GIZ's activities.



High-ranking visitor in Brussels

2 May 2011

To mark the opening of our new premises, EU Commissioner for Development, Andris Piebalgs, visited the GIZ representation in Brussels. He praised the long-standing cooperation between GIZ and the EU, and stressed that it is our common duty to ensure that European cooperation meets the highest possible quality standards. The EU institutions are important clients for GIZ; we have been cooperating with the European Commission for twenty years.



Eschborn Dialogue

21 and 22 June 2011

In June some 450 invited guests from the realms of politics, business and civil society came together at the Eschborn Dialogue to discuss future models for our economies and societies. The opportunities and challenges we face as we attempt to put our economies on a sustainable footing were the subject of dialogue forums and panel discussions. Environmentally sound patterns of production, trade and consumption were seen as the foundation for sustainable business.



»Afrika kommt!«

4 October 2011

In October the then Federal President Christian Wulff welcomed the young managers and representatives of the German companies involved in the »AFRIKA KOMMT!« (»Africa is coming!«) initiative to Bellevue Palace. The initiative, launched by German businesses to benefit young managers from sub-Saharan African states, is coordinated by GIZ's regional centre in North Rhine-Westphalia.



Award for the Learning Landscape

5 December 2011

The German Institute for Adult Education – Leibniz Centre for Lifelong Learning presented GIZ's German Academy for International Cooperation with an award for its innovative approach to adult education. The project – the Learning Landscape – offers course participants 800 square metres in which to explore and gain experience with interactive stations for independent learning. This enables participants to develop their intercultural competence.

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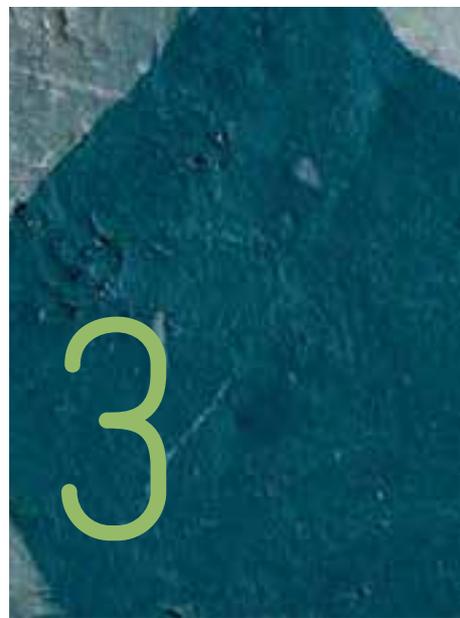
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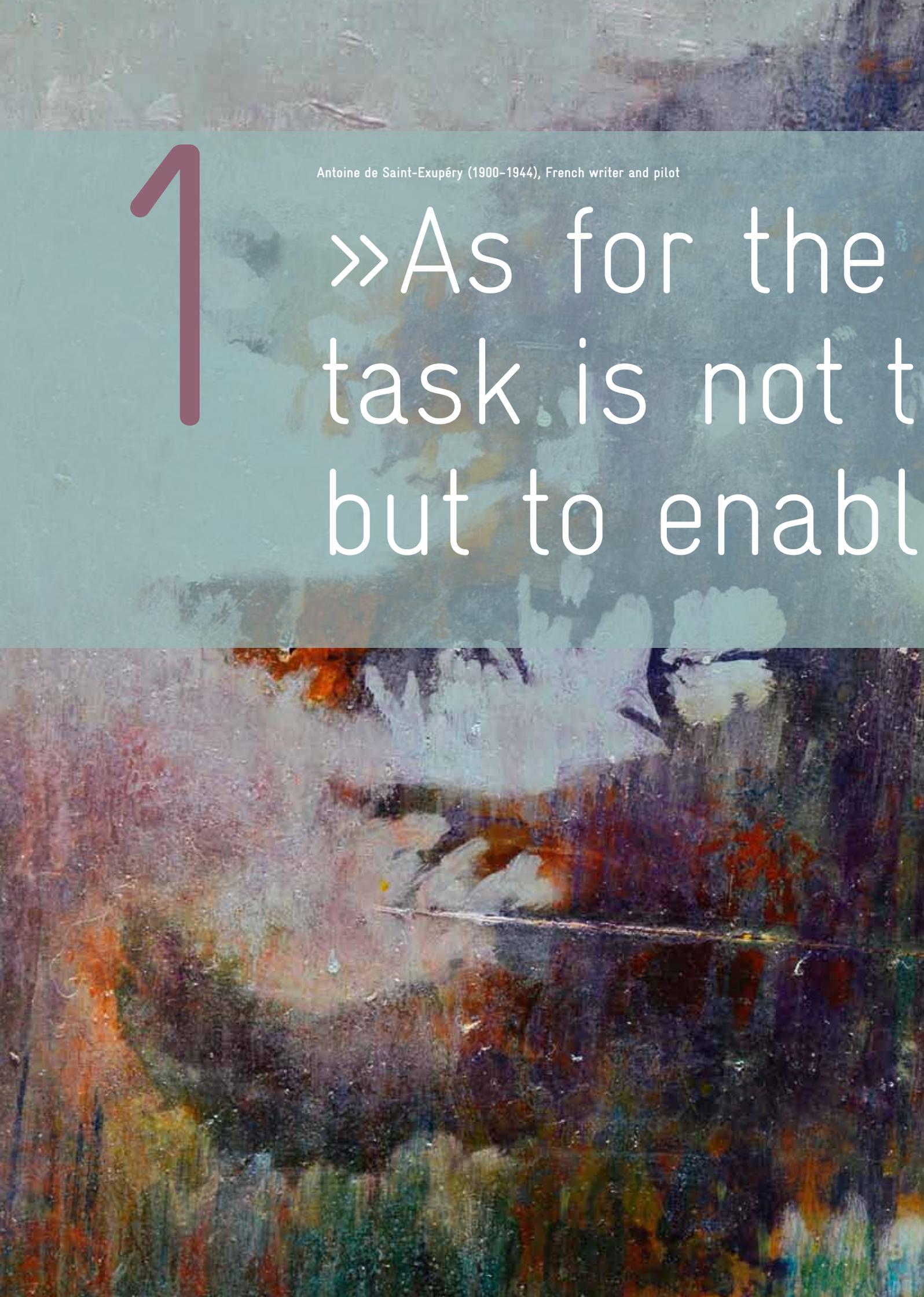
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Antoine de Saint-Exupéry (1900-1944), French writer and pilot



»As for the
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FOREWORD BY THE MANAGEMENT BOARD

Systematically boosting effectiveness

Message from the Chairman of the Supervisory Board

THE NEW GIZ IS A GREAT ACHIEVEMENT BY EVERYONE INVOLVED IN THE NEW SETUP OF GERMAN DEVELOPMENT COOPERATION. THE WEALTH OF EXPERIENCE OF THE THREE PREDECESSOR ORGANISATIONS IN COMBINATION WITH THE NEW OPPORTUNITIES NOW OPEN TO THE COMPANY AND THE IMPROVED COOPERATION WITH THE GERMAN FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ) IS PAYING OFF, IN TERMS OF GREATER EFFECTIVENESS AND BENEFITS FOR PEOPLE IN PARTNER COUNTRIES AND FOR GIZ'S OWN WORKFORCE. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK GIZ'S STAFF FOR THEIR OUTSTANDING DEDICATION AND THE ENTHUSIASM THEY HAVE DEMONSTRATED IN BREATHING LIFE INTO THE NEW COMPANY STRUCTURES. MY THANKS ALSO, OF COURSE, GO TO GIZ'S FIRST MANAGEMENT BOARD, WHICH HAS TIRELESSLY SUPPORTED THE MERGER PROCESS, AND WILL NOW BE HANDING OVER THE REINS.

The most important structural reform that German development cooperation has seen in 50 years will ensure the coherent implementation of German development policy. But it will do much more besides: GIZ's new expanded corporate purpose will enable the company to work more effectively at international level to foster sustainable development, and attract new clients, who can then draw on the company's full range of innovative services.

One crucial factor in our success is that GIZ sees itself as a learning organisation. All instruments are systematically reviewed to ensure they are effective, and are subject to a constant process of fine-tuning. With our partners on the ground we devise new approaches, test these, and then scale them up. The water kiosks we have put in place to provide drinking water to peri-urban areas in Zambia and Kenya are one good example. The points of sale are connected up to the central urban water supply. Customers fill their water canisters at a tap and pay an affordable fee. In Zambia alone water kiosks now serve more than 850,000 people who previously had very limited or no access to safe drinking water. By the end of 2012, the water kiosks will be serving more

than one million people. This is a project that others are keen to emulate. And it is bringing Zambia closer to achieving the Millennium Development Goal of improving access to safe drinking water by 2015. Together we should continue developing the water sector as a priority area of German expertise.

GIZ uses pilot measures to devise new solutions, which makes technical cooperation an important »laboratory« in which to explore and develop innovative ideas, benefiting all parties involved. This also gives GIZ the opportunity to position itself as one of the world's leading providers of international cooperation services for sustainable development. Global cooperation arrangements and alliances with other organisations, be they political foundations, non-governmental organisations, churches, the research community or other actors in Germany and abroad, will be vitally important. Cooperation with the private sector also does much to underpin the success of GIZ's work.

Development cooperation as a whole will in future face major challenges: new players and new issues are emerging and chang-



Hans-Jürgen Beerfeltz

ing the *modus vivendi* of cooperation with in-country partners. As emerging economies assume new economic and political roles, fresh opportunities arise for us to engage in mutual learning, enter into new partnerships and compete more vigorously. This diversity is also changing the familiar paradigm of a one-way North-South transfer of expertise and resources. The new multipolar world order does, however, harbour potential for conflicts over the values on which cooperation should be based, and what should be driving development.

GIZ is well prepared to cope with conceptual and practical challenges such as these. BMZ and the German Government as a whole give it the support it needs to perform its work. This is reflected in the new logo. Since the end of May, all public presentations, projects and commissions of German development cooperation have displayed the same common logo. This will help make German development cooperation more visible in our partner countries. Like the reform of technical cooperation itself, the debate about a common logo kept not only this government but also several of its predecessors busy. Now, both have at last been put into practice.

2011 was a successful year for GIZ, as this company report illustrates. Let's work together to build on the achievements of our young, yet experienced company in the year to come.

I particularly look forward to working with our new Management Board, comprising Tanja Gönner, Dr Christoph Beier, Tom Pätz, Dr Hans-Joachim Preuß and Cornelia Richter. To help GIZ rise to the challenges of the years to come, a diverse, experienced, dynamic team will be needed to lead the way.

Hans-Jürgen Beerfeltz
 Chairman of the Supervisory Board
 State Secretary in the German Federal Ministry for Economic
 Cooperation and Development

Using growth and innovation to tap new markets

Foreword by the Management Board

WE CAN LOOK BACK ON A VERY SPECIAL YEAR. 2011 WAS AN EVENTFUL AND EXCITING YEAR THAT SAW MANY CHANGES AND CHALLENGES FOR GIZ. AT THIS POINT, WE WOULD LIKE TO EXPRESS OUR VERY SPECIAL THANKS TO ALL OUR STAFF FOR THEIR COMMITMENT IN HELPING TO RESTRUCTURE THE COMPANY. WITHOUT THEIR SUPPORT IT WOULD HAVE BEEN IMPOSSIBLE TO ACHIEVE THE MONUMENTAL TASK WE FACED. IN FUTURE TOO, WE WILL CONTINUE TO DEPEND ON THE MOTIVATION AND DEDICATION OF OUR STAFF AROUND THE GLOBE.

The figures for 2011 provide ample proof that we managed to carry on business as usual in the first year of our operations as GIZ – indeed our business volume rose by about 10% and reached an all-time high. We are delighted to see that our commissioning parties continue to place their trust in us, and see this as a huge incentive. In 2011 we laid the groundwork for achieving our vision of becoming the world's leading provider of international cooperation services for sustainable development. We are happy to face the challenges this entails.

We are counting on our wealth of experience and on innovations that will expand and round off our service package. These include the Global Leadership Academy, which we manage on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Cooperation with the private sector continues to play a significant part in our work. We are making every effort to expand coopera-

tion arrangements with private businesses, because they create jobs and income, and thus generate taxes, which in turn provide the foundation for a capable state. Development processes can be shaped best if the private sector, the state and civil society join forces. Cooperation with the private sector is thus of fundamental importance for GIZ.

The manifold commissions placed with GIZ by clients other than the German Government are a clear indication that the quality of our work is recognised. GIZ International Services (GIZ IS) recently saw its tenth anniversary as a department in its own right – a good reason to celebrate! International Services is, after all, one of the company's greatest success stories.

The German market and other EU member states also offer GIZ exciting opportunities. Like the rest of Europe and other industrialised countries, Germany is a market for the future. Germany itself is facing challenges at national and international level. The



The GIZ Management Board since 1 July 2012 (from left to right): Dr Hans-Joachim Preuß, Cornelia Richter, Tanja Gönner (Chair of the Management Board), Dr Christoph Beier (Vice-Chair of the Management Board), Tom Pätz

expertise we have acquired over decades in international cooperation for sustainable development and in international education work will be extremely valuable in mastering these.

In future we will be attaching even greater importance to innovations – our willingness to innovate, and our ability to do so is our great strength. However, we will not only be highlighting our own ability to innovate, but also promoting the capacities of German private businesses, and the academic and research community. These capacities can be harnessed in fields such as the environment and climate change, where the various players can together offer a package of technology development services. GIZ already has an impressive track record, for instance in climate change mitigation and adaptation, engagement in fragile states and cooperation with the private sector. As we grow, we will continue to dedicate our efforts to issues such as good governance and democracy, economic development and employment, and education. We have provided a wide range of services for years in fragile states like

Afghanistan, on behalf of the German Government and other commissioning parties. Our business with industrialised countries will compel us to devise new approaches and new procedures. Not only will we have to hone our tried and tested instruments, but we will have to expand, combine, link and refine them in new ways. New markets call for new ideas.

We aim to offer our commissioning parties both within Germany and around the globe consistently high-quality and sustainable services – both to achieve sustainable development worldwide and to ensure a promising future for our company.

The GIZ Management Board



Willy Brandt (1913–1992), German politician, former German Federal Chancellor and Nobel Peace Laureate

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»Development
wider sense
word for peace



nt in the
is just another
ace.«

FACTS AND FIGURES

12 2011 in figures
FACTS AND FIGURES

2011 in figures

Facts and figures

Volume of business in 2011

Fiscal 2011 was an exceptionally successful year for GIZ, with the total volume of business reaching some EUR 2 billion – about 10% up on the 2010 figure.

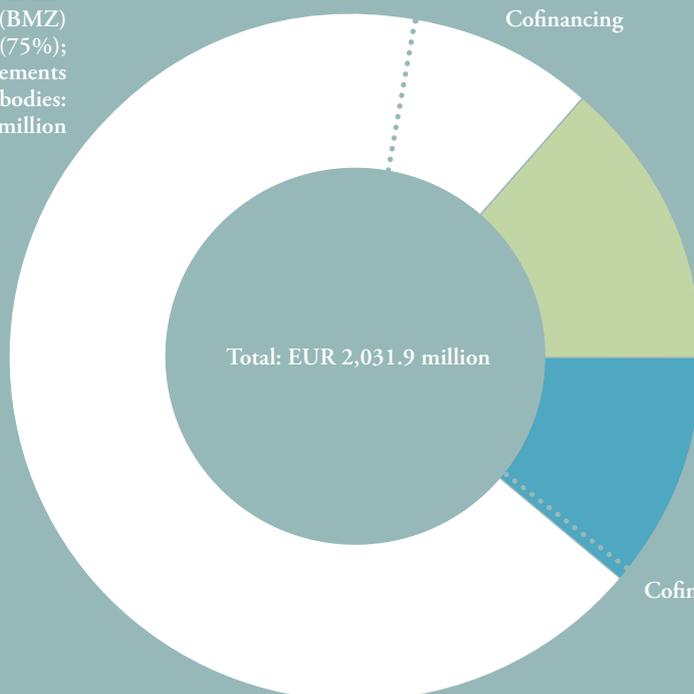
Public-benefit business area

The public-benefit business area as a whole generated income of some EUR 1.75 billion. Commissions from the German Federal Ministry for Economic Cooperation and Development (BMZ) accounted for the lion's share, topping EUR 1.5 billion, which is equivalent to about 75% of the total volume of business. BMZ thus remains our principal commissioning party.

German public sector clients also made available extensive funding in 2011. This business area developed extremely positively; the volume of business, at almost EUR 223 million, was about 20% up on 2010, and accounted for almost 11% of the entire business volume of GIZ. The largest commissioning parties were the Federal Foreign Office, which placed orders worth EUR 83 million, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (EUR 56 million), the Federal Ministry of Defence (EUR 24 million) and the Federal Ministry of the Interior/Federal Office of Administration (more than EUR 13 million). Some EUR 7 million of the revenues in the German Public Sector Clients business area was generated by cofinancing arrangements.

Volume of business 2011

Federal Ministry for Economic Cooperation and Development (BMZ)
EUR 1,532.5 million (75%);
of which cofinancing arrangements involving other financing bodies:
EUR 176.1 million



GIZ International Services
EUR 277 million (14%)

German Public Sector Clients
EUR 222.5 million (11%);
of which cofinancing arrangements involving other financing bodies: EUR 6.9 million

Cofinancing

The term cofinancing refers to all arrangements under which third parties provide additional funding or place an order for a complementary measure relating to a measure that GIZ is already implementing on behalf of BMZ or any other commissioning body. The third party in question can be a foreign government, a multilateral organisation or a foundation. Cofinancing arrangements in the public-benefit sector were worth about EUR 183 million in 2011. One good example of cofinancing is the Energising Development Programme, which involves cooperation with the Dutch Ministry of Foreign Affairs (DGIS), the Norwegian Ministry of Foreign Affairs and BMZ. Another example can be found in the Philippines. The school health programme, which GIZ is implementing on behalf of BMZ with cofinancing from the Australian Agency for International Development (AusAID), is called Fit for School. More than two million pupils in 40 provinces have benefited to date. Health problems have declined tangibly. The Fit for School

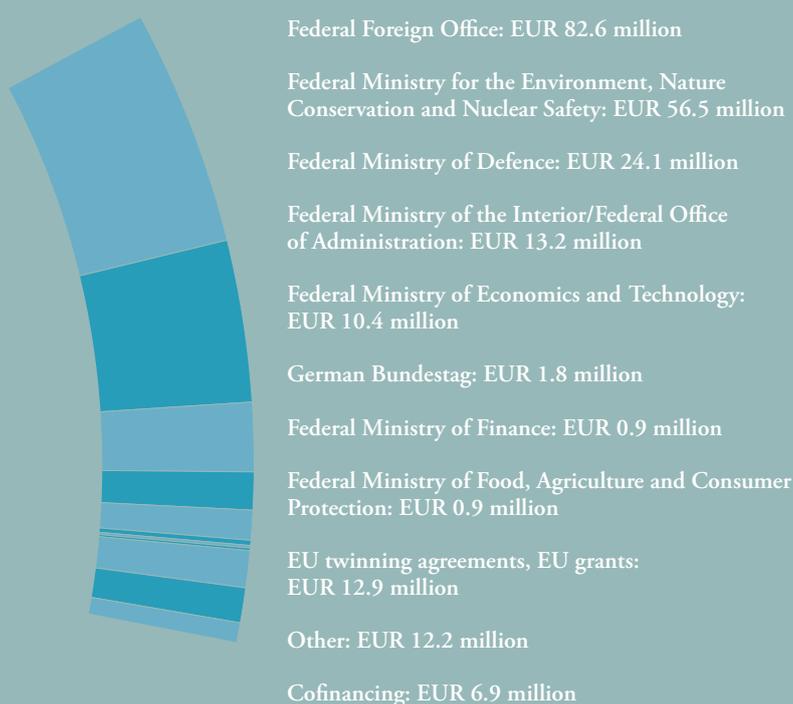
approach has been singled out by the World Bank, UNDP and the WHO for an award for innovation in the health sector, and is in demand around the world.

GIZ International Services

Alongside the public-benefit sector, the commercial activities of GIZ International Services (GIZ IS) are an important factor in the company's overall business volume. The total business volume of GIZ IS was of the order of EUR 277 million in fiscal 2011. Orders placed with GIZ IS by national governments accounted for the largest share, at around EUR 88 million. Cooperation with the European Union generated more than EUR 72 million, while orders placed by UN organisations accounted for roughly EUR 48 million. Bilateral donors and international financial institutions and funds generated business worth around EUR 43 million and EUR 17 million respectively.

German Public Sector Clients

Income



GIZ International Services

Total business volume



Orders placed with third parties

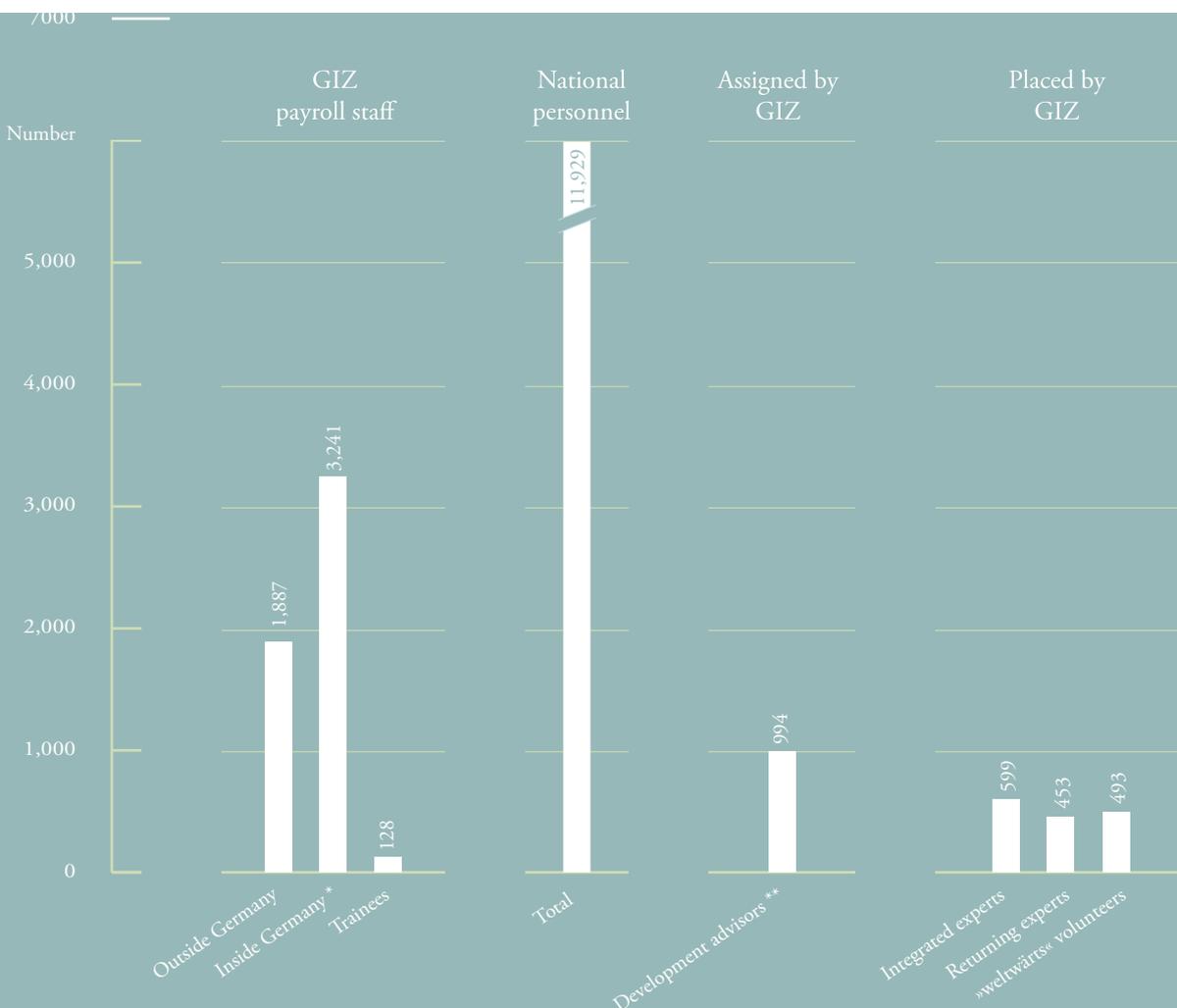
In 2011 orders worth a total of EUR 723.3 million were placed with, for instance, service providers, suppliers and construction companies. The GIZ's full order books enabled Head Office to place orders worth some EUR 384.3 million. This involved 7,452 contracts inside Germany. Orders worth around EUR 238.6 million were placed with consulting companies, while consulting institutions received orders worth some EUR 93.8 million and individual consultants were contracted for about EUR 51.8 million. Additionally, other GIZ offices worldwide placed orders for services, construction and financing worth EUR 172 million and purchases of materials and equipment worth EUR 42 million.

Forecast for the development of business volume in 2012

For fiscal 2012 we currently anticipate a business volume (income from public-benefit business plus the total business volume of GIZ International Services) of around EUR 1.93 billion. Cooperation with BMZ is expected to generate income of almost EUR 1.45 billion. We see potential for growth in cofinancing BMZ business. In 2012 cofinancing is expected to generate an income of almost EUR 185 million, which would represent a rise of some six per cent over the 2011 figures.

In 2012 the German Public Sector Clients business area is projected to generate income of around EUR 215 million.

GIZ International Services forecasts a total business volume of around EUR 271 million for 2012.



Personnel

On 31 December 2011 GIZ had a total of 17,185 staff, of whom 3,241 were employed in Germany and 1,887 as field staff. Some 69% of the workforce, or 11,929 individuals, were working as national personnel on the ground.

As of the same date, 994 development advisors* were working for GIZ. The Centre for International Migration and Development (CIM) – which is jointly run by GIZ and the Federal Employment Agency – places experts with local employers: at the end of 2011 a total of 599 integrated experts had employment contracts with organisations and businesses in the field, while 453 returning experts were receiving financial support and advice from CIM. In 2011, 493 young people were assigned abroad through the »weltwärts with GIZ« programme.

Training of junior employees

It is a tradition at GIZ to give young people the chance to begin their professional careers and gain practical experience, thus making a contribution to their training. On 31 December 2011 our workforce included 128 trainees.

In demand in 2011 were courses for clerical officers, which 34 young people chose, and those for business administrators held in collaboration with the Baden-Wuerttemberg Cooperative State University Mannheim and the University of Cooperative Education in Frankfurt, which attracted 24 participants. Another 24 opted to train as office communication specialists.

* including Civil Peace Service experts, 51 junior development advisors and 13 development advisors undergoing preparatory courses inside Germany

Gender breakdown of GIZ staff outside Germany



Gender breakdown of GIZ staff inside Germany*



Trainees as at 31 December 2011

Trainees as at 31 December 2011	Number
Clerical officer	34
Specialist for media and information services	6
Clerical officer with part-time university course leading to a Bachelor of Business Administration	5
Office communication specialist	24
IT officer	1
Events officer	4
HRM specialist	1
IT specialist for systems integration/application development	3
PR trainee	2
Business administrator Frankfurt academy	24
Business administrator Mannheim academy	24
Total	128

* not including trainees

** including Civil Peace Service experts, 51 junior development advisors and 13 development advisors undergoing preparatory courses inside Germany

Lao Tzu (4th/3rd century BCE), Chinese philosopher

3

» It is not on
we do that v
responsible,
what we do

An aerial photograph of a coastline with a teal overlay. The text is overlaid on the teal area.

only for what
we are held
but also for
not do.«

FROM THE COMPANY

Making the future

GIZ, ONE OF THE WORLD'S LEADING PROVIDERS OF INTERNATIONAL COOPERATION SERVICES FOR SUSTAINABLE DEVELOPMENT, OFFERS CLIENTS CUSTOMISED SOLUTIONS. A FEDERAL, PUBLIC-BENEFIT COMPANY, GIZ WORKS PRIMARILY ON BEHALF OF THE GERMAN FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ), BUT ALSO FOR OTHER FEDERAL MINISTRIES AND PUBLIC AND PRIVATE SECTOR CLIENTS INSIDE AND OUTSIDE GERMANY. COOPERATION WITH THE GERMAN FEDERAL FOREIGN OFFICE AND THE FEDERAL MINISTRY FOR THE ENVIRONMENT, NATURE CONSERVATION AND NUCLEAR SAFETY IN PARTICULAR HAS EXPANDED CONTINUOUSLY OVER RECENT YEARS. GIZ'S LEGAL STATUS, UNDER PRIVATE LAW, GIVES IT GREAT ENTREPRENEURIAL LEEWAY AND A HIGH DEGREE OF FLEXIBILITY. THIS IN TURN ALLOWS US TO ACT EFFECTIVELY AND ECONOMICALLY IN THE INTERESTS OF GERMANY.

Effectiveness, efficiency, growth, alliances – these are to help GIZ become the world's leading provider of international cooperation services for sustainable development.

In future GIZ will continue to steer a course for growth and diversification, helped by the unparalleled variety of instruments at its disposal. The possibilities available encompass long and short-term experts, development advisors, Civil Peace Service specialists, integrated and returning experts, a vast spectrum of training options including e-learning, dialogue forums, alumni programmes and global knowledge cooperation arrangements, and various forms of financial contributions. Synergies will be systematically harnessed, making the services we provide even more efficient and effective.

Effectiveness, efficiency, growth, alliances. These are the watchwords as GIZ forges ahead toward its goal of becoming the world's leading provider of international cooperation services for sustainable development. In 2012 and the years to come GIZ will be stepping up its efforts to render its work even more effective. We are working tirelessly to improve efficiency. If we are to become more effective and more efficient while pursuing the objective of growth, we will have to tailor our existing service

packages consistently to the needs of our commissioning parties and partners, and ensure continued excellence wherever we work – in developing countries, emerging economies and industrialised states.

Effectiveness – our main yardstick for quality

All GIZ measures aim to achieve maximum effectiveness and are managed for results. Our systematic results-based monitoring system provides the support we need, allowing us to gauge the impacts of our interventions right from the planning phase. We can demonstrate our accountability to commissioning parties, partners and the general public once measures are wound up, and learn from our own practical experience. This helps us improve the way we manage our activities, thus boosting quality and effectiveness. Results must be attributable and verifiable. To enable us to demonstrate reliably and credibly the results and success of our work, our projects and programmes are systematically monitored, analysed and subjected to independent evaluations at regular intervals.

So that we can reliably and credibly demonstrate our work results and achievements, projects and programmes are systematically monitored, analysed and subjected to independent evaluations at regular intervals.

New realities

Like other organisations involved in the policy area of international cooperation, GIZ faces new realities in an increasingly global, complex, multipolar world. Major changes include the continued shift in economic and political power at global level, the ongoing political developments in North Africa and the Middle East, a new consensus on development within the European Union and the increased activities of private sector players, such as private foundations. In line with the interests of the German Government, GIZ can respond to these new trends. We can step up our activities to offer the concepts, approaches and experience gained in many years of German international cooperation in emerging economies and industrialised nations, and expand our radius in the field of international education work both abroad and in Germany as a human capacity development (HCD) hub.

The German Government attaches major political importance to international cooperation for sustainable development. It has mandated GIZ to support the international aspects of all policy areas. In addition to the Federal Ministry for Economic Cooperation and Development (BMZ), which is our main commissioning party, we are therefore increasingly implementing projects on behalf of other federal ministries including the Federal Foreign Office and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.



BMZ has stipulated in its new development strategy »Minds for Change – Enhancing Opportunities« that international cooperation is an investment in worldwide development and life opportunities that should be geared to specific values and interests. This is also mirrored in the spotlight of the year – »Future-makers« – which is the joint annual theme of BMZ, KfW and GIZ. The ministry is setting new strategic markers for German development policy, and accords high priority to a willingness and ability to innovate. It also emphasises education, market orientation and entrepreneurship, human rights, the rule of law and democracy. And it attaches importance to strengthening Africa, which it sees as the continent of opportunities, as well as to climate change mitigation and adaptation, efficient natural resource management, the use of renewables, and engagement in fragile states. GIZ is responding by further developing its range of services.

We continue to develop our service range in response to the new strategic markers set for German development policy.

The path to growth – tapping new markets

GIZ is in a position to offer all federal ministries, as well as German states and local authorities, a wide range of services to support the international aspects of their respective policy fields and to respond to their growing involvement in international cooperation. For years now GIZ has been implementing large-scale measures on behalf of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety under the International Climate Initiative, for the Federal Foreign Office in the field of conflict prevention and transformation, for the Federal Ministry of Defence in the field of networked security, and for the Federal Ministry of Economics and Technology in the field of executive training programmes based in Germany. These are in addition to our projects and programmes for BMZ.

GIZ also sees excellent opportunities on the German sustainability market. Here we can harness the wide-ranging experience we have gained in our global advisory activities and adapt this to the German context. This experience and expertise will, however, also be valuable in other industrialised countries, on the European single market, in global partnerships and in emerging economies.

As a second key area of activity alongside our work for publicly financed international cooperation, we are currently expanding our alliances with private businesses and foundations in line with their growing importance. There is considerable potential to attract business from German, European and international companies working to establish sustainable value chains, as well as in the delivery of advisory services on emissions trading and corporate social responsibility activities. GIZ can build on projects already implemented with Mars, the Lidl Foundation, RWE, EnBW and Royal Dutch Shell.

In cooperation with international foundations, more and more projects are today being carried out with private financing. One important partner in this context is the Bill & Melinda Gates Foundation, with which GIZ is helping manage the Alliance for Financial Inclusion (AFI). We are also cooperating with the foundation to support agricultural value chains in Africa for cotton, cashew nuts and cocoa.

One outstanding example of a cofinancing arrangement with public sector donors is the Energising Development Programme, which involves cooperation with the Dutch Ministry of Foreign Affairs (DGIS), the Norwegian Ministry of Foreign Affairs and BMZ. Projects in 18 Asian, Latin American and African states are ample proof of the broad acceptance enjoyed by Energising Development. Between 2005 and 2011 the programme gave a total of eight million people access to electricity and sustainable heating – two million more than originally planned.

GIZ International Services (GIZ IS) makes available the tried and tested concepts and experience of bilateral international cooperation to other paying clients, including governments, the United Nations and the European Commission. GIZ IS continues to focus its attention on large-scale contracts on national development markets (financed by the respective national governments and institutions) and on the international market, where commissions are financed by bilateral or multilateral public sector institutions. Over and above this, GIZ IS is increasingly accepting commissions from German, other European and international businesses, seeking support services as they move to tap new markets and establish local value chains in other countries.

The Triple Win pilot project, launched at the start of 2011, was the first project to recruit specialists with and without a university degree for the German labour market.

New opportunities are also arising in the area of labour migration. GIZ has been working successfully for over 30 years with the German Federal Employment Agency under the umbrella of the joint operation CIM – the Centre for International Migration and Development. Cooperation to date has focused primarily on placing integrated experts in emerging economies and developing countries, and on supporting experts who are returning to their countries of origin. Now, however, the partnership is to be expanded to attract skilled foreign specialists to Germany. Demographic change in Germany will make it ever more crucial to recruit specialists from emerging economies and developing countries to fill gaps on the German labour market. Thanks to our local presence in more than 130 countries, and our extensive alumni networks, we not only have international structures in place that we can use to

meet this challenge. We also have the expertise needed to support this new form of mobility among skilled workers from the development policy perspective. The Triple Win pilot project, which was launched at the start of 2011, was the first project to supply the German labour market with specialists with and without university degrees.

Sustainability is our guiding principle

GIZ's actions are always geared to the imperatives of sustainability. Since the 1992 Earth Summit in Rio de Janeiro, sustainable development has become the accepted guiding principle at global level. In 2002 the German Government adopted our national strategy for sustainability entitled »Prospects for Germany«. According to this strategy, sustainability is a holistic, integrative approach. Environmental protection, economic performance and social responsibility are to be dovetailed such that all political and societal decisions are acceptable on all three counts. Sustainable development is GIZ's guiding principle, and thus both the mandate we accept and an obligation we must meet. Whatever services GIZ is performing, for whatever commissioning party, our actions are guided by this overarching principle. We see sustainable development as the combination of social responsibility, ecological balance, political participation and economic capability. Only this combination can guarantee current and future generations a life in security and dignity. Sustainable development calls for an ongoing process of seeking and negotiating viable compromises. GIZ supports its commissioning parties and partners in their efforts to meet local, national and global challenges in a way that will foster sustainable development.

The Global Compact obliges us to do our bit

GIZ shapes changes with a view to making sustainable development possible around the globe. The results of our work must have a broad and lasting impact. To ensure that international cooperation remains successful, GIZ mobilises networks and encourages dialogue. We also participate in the Global Compact and are committed to its ten principles. Human rights and diversity, human resources policies that foster the employability of staff, promote gender equality and a good life-work balance, socially equitable ways of dealing with staff members and the bodies that represent their interests, environment and climate change, and ongoing efforts to prevent corruption are fundamental values and issues that guide our actions. The principles of the Global Compact are firmly anchored in our projects and programmes, and we advocate their observance and further development vis-à-vis our commissioning parties.

GIZ's progress report
2010/2011 for the Global Compact
is available online at:
www.giz.de/globalcompact

On behalf of BMZ, we have been coordinating the German Global Compact Network since 2001. We are thus not just a member of this worldwide organisation. Our coordination work also helps create a general public and political awareness of the concerns and the objectives of the Global Compact.

Environmental management also geared to sustainability

In the field of environmental management GIZ also aims to achieve sustainability. The company has a tradition of fostering environmental management and environmental protection. For instance, we attach great importance to environmentally responsible procurement management: we apply high environmental standards in everything we procure, from office supplies to vehicles for projects in the field. The sustainable planning and organisation of events also demands our attention, as does the concept of environmentally sound mobility. We make every effort to avoid unnecessary CO₂ emissions. In 2011 the German Association of Environmental Management (B.A.U.M.) presented GIZ with an award for Germany's most environmentally friendly offices. We plan to build on strengths such as

Find out more about
environmental management at GIZ
in the 2010 environmental audit,
which you can download at:
www.giz.de/environmental-management

these. The company has common environmental objectives – which it shares in the interests of the workforce, society as a whole and the environment, but also so that we serve as a living example for our advisory services around the globe. Most GIZ offices in Germany and our representation in Brussels are already supplied with green power. The few German offices where this is not the case will convert as swiftly as possible. The principles and objectives of our company-wide environmental management regime apply in all our locations around the globe. After all, we work worldwide for sustainable development. Half of all of our offices already have their own environmental managers and produce their own environmental audits. Sustainable management pays off, even in the immediate environment.



4

Thomas Carlyle (1795-1881), essayist and historian

» Our main business is
not to see what lies
at a distance, but
what lies close

Business is
what lies dimly
in the distance,
but to do
it, the opportunity
is already at hand.«

IN ACTION AROUND THE GLOBE

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In action around the globe

Introduction

The enormous variety of the services we offer is reflected in the breadth of our operations all over the world.

We support the German Government in achieving its objectives in the field of international cooperation for sustainable development. In addition, we are involved in international education activities worldwide and also implement other forms of international cooperation. European and other industrialised countries constitute a market that GIZ intends to move into more in future. It is essential that we can offer them convincingly innovative and customised services. At the same time we will continue to strengthen, expand and

refine our tried and tested range of development cooperation instruments.

Complex challenges call for tailored solutions. In our work we at GIZ take our lead from our clients' individual requirements and objectives. We pursue an effective strategy – we place our faith in the efficient realisation of change processes that deliver rapid results, while simultaneously establishing the frameworks needed to ensure a sustainable solution. In the following sections we will present a cross section of our worldwide activities.

OUR BROAD CORPORATE PURPOSE OPENS UP NEW MARKETS TO GIZ, INCLUDING INDUSTRIALISED COUNTRIES AND THE EUROPEAN SINGLE MARKET. WE MUST NOW BUILD ON OUR EXISTING INDUSTRIALISED COUNTRY PROGRAMMES AND COMBINE THESE WITH NEW SERVICES. GERMAN EXPERTISE IS VERY MUCH IN DEMAND: FOR SUPPORT SERVICES, DIALOGUE FORMATS AND TRAINING PACKAGES. THE EUROPEAN COMMISSION, FOR INSTANCE, SEES A NEED FOR SUPPORT TO ENSURE THE PROPER HANDLING OF THE ASSISTANCE AVAILABLE FROM THE EU UNDER ITS STRUCTURAL AND SOCIAL FUNDS. HERE TOO GIZ CAN OFFER SOLUTIONS, WORKING IN CONJUNCTION WITH OTHER EU MEMBER STATES.



Japan: The Heinz Nixdorf Programme to promote experience in the Asian and Pacific region allows German junior managers to undertake international internships.

Tapping new markets worldwide

Business with industrialised countries

The expertise that GIZ has acquired over several decades in fields as diverse as building administrative structures, economic promotion, infrastructure development and energy policy is now being put at the disposal of European and other industrialised countries. One example of our long-standing successful cooperation within industrialised countries is our association with private foundations that have close links to industry. We have for many years organised scholarship programmes to build professional and managerial experience at international level with these bodies. The programmes address junior managers, and aim to train highly qualified university or other graduates and young professionals through internships in international businesses or chambers of commerce, in Japan and the USA to give but two examples. In this way the programme hopes to establish a network of managers with intercultural

skills and worldwide experience, who can successfully step into key positions in German and international businesses.

We are especially proud of our cooperation arrangement with the Heinz Nixdorf Foundation. First launched in 1994, the programme focuses on Asia and the Pacific, especially Japan and South Korea. It has spawned an alumni network of almost 700 managers in the region, inside Germany and worldwide, for whom corporate social responsibility and constant innovation represent the fundamental values of sustainable economic development. Every year they are joined by another forty or so scholarship holders.

From exchange programmes to food safety

GIZ's engagement is, however, also evolving in other areas. Within the European single market there is an increasing need to

link reform processes with capacity development activities. Here too GIZ can offer extensive and wide-ranging experience. GIZ has, for instance, been supporting accession states as they move toward full EU membership by managing the EU's Twinning Programme, which aims to put in place and consolidate public structures. The land registry system in Bosnia and Herzegovina was underpinned by the creation of a land register, with GIZ assistance delivered on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Both measures could easily serve as a model for other cooperation arrangements in future.

On behalf of the Directorate-General for Health and Consumers (DG SANCO/EAHC) and as part of the Better Training for Safer Food programme, GIZ has developed training measures for food and fodder



USA: The Congress-Bundestag Youth Exchange Programme, which GIZ implements on behalf of the German Bundestag, offers young people from Germany and the USA the opportunity to spend a year in the other country.

safety. Project activities include workshops offering theoretical courses and practical exercises as well as the temporary secondment of specialists. To date, more than 130 workshops have been held for some 4,000 participants from EU member states, accession candidates, Western Balkan states, countries covered by the European Neighbourhood Policy and other countries. Activities also offer support in putting the relevant EU regulations into practice.

In this GIZ cooperates closely with the German Federal Office of Consumer Protection and Food Safety, and with the national agencies for food safety in EU member states including Austria, Belgium, Cyprus, Denmark, Finland, Italy and the United Kingdom. One outcome of this cooperation is the establishment of the European Train-

ing Platform for Safer Food – TrainSafer-Food (www.trainsaferfood.eu). We have also organised special events, conferences, fact finding trips and press conferences and created a website that offers practical information for participants and instructors and more general information for the public at large. We additionally manage networks of experts in the field.

Cooperation with the USA and Israel

The Congress-Bundestag Youth Exchange Programme, which GIZ implements on behalf of the German Bundestag, is a German-American exchange programme initiated in 1983 by the US Congress and the German Bundestag. It gives young people from the two countries the chance to spend one year in the other country. During this

time members of Congress and of the German Bundestag mentor the individual participants. The programme aims primarily to cultivate and develop their intercultural skills, with professional development only a secondary aim. It addresses young professionals who have completed their training, and concentrates on skilled craft, agricultural, technical and commercial occupational groups.

Technical, economic and social developments are confronting the vocational training systems in Israel and in Germany with similar challenges. Against this backdrop, the German-Israeli Cooperation Programme in Vocational Education and Training enables managers and specialists from the two countries to share experience and cooperate through workshops and

projects. The programme is funded by the German Federal Ministry of Education and Research and by Israel's Ministry of Industry, Trade and Labor. The workshops lay the foundations for the building of a sustainable network of experts. GIZ takes care of the technical and organisational preparations for participants, and coordinates their stays abroad.

Wide experience

Also on behalf of the Federal Ministry of Education and Research, GIZ runs the Bonn-based IBS, which provides information and advice for those interested in gaining practical experience abroad. The IBS acts as Germany's one-stop-shop for all questions relating to continuing professional training abroad. It is one of the major providers of information on professional training abroad and can put applicants in touch with all the major exchange

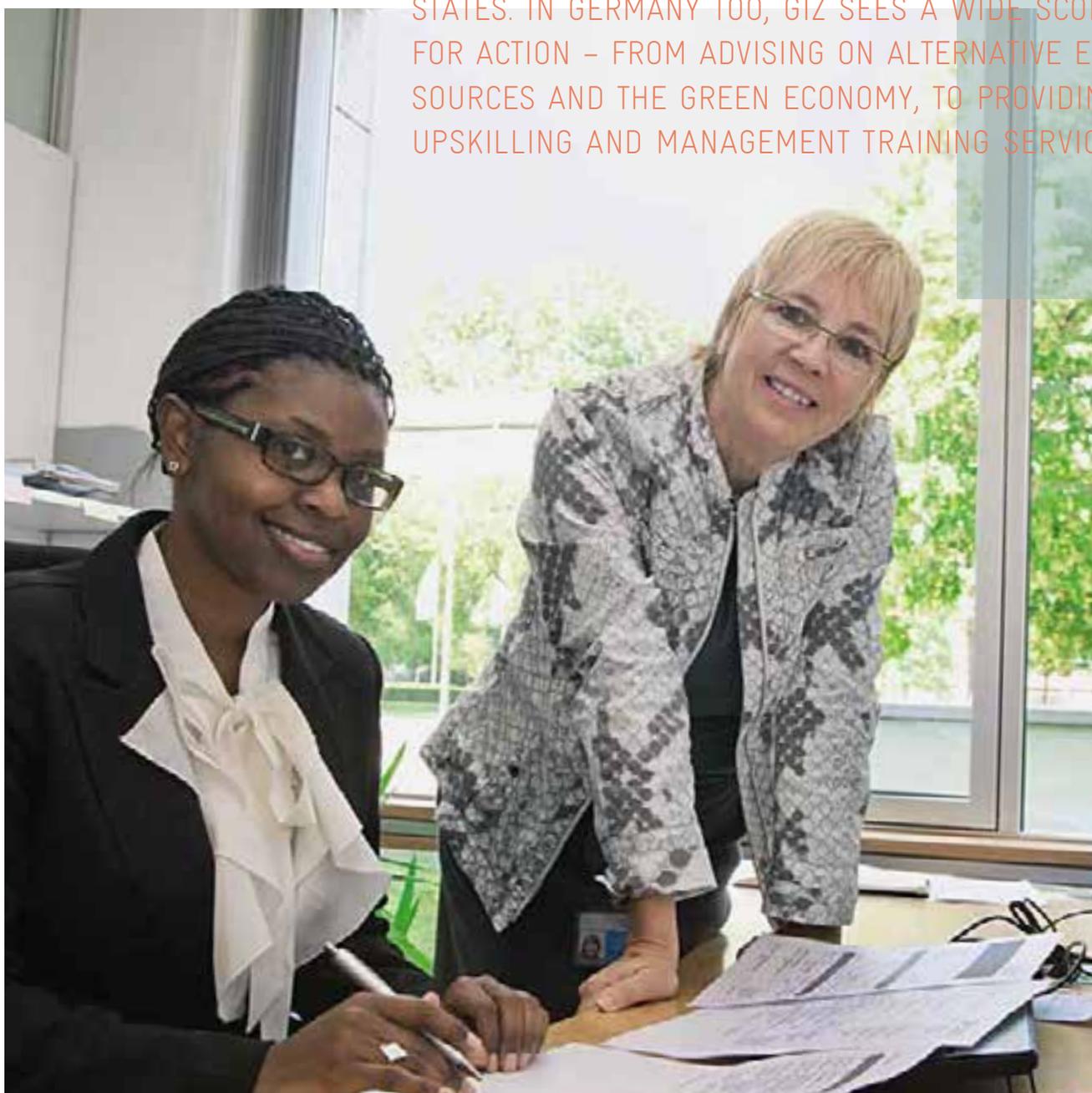
organisations. More than one million applicants have used this service since IBS was founded in 1987: in 2011 alone it handled about 40,000 enquiries.

GIZ already has a wealth of experience in cooperating with industrialised countries. As the wide spectrum of examples demonstrate, both within the European single market and in other industrialised countries worldwide, efficient and sustainable solutions are in greater demand today than ever before.



South Korea: Corporate social responsibility and constant innovation – the Heinz Nixdorf Programme is also active in South Korea.

THE SUCCESS OF SUSTAINABLE DEVELOPMENT DEPENDS ON A NUMBER OF FACTORS. POLITICIANS MUST CREATE AN ENABLING ENVIRONMENT, INNOVATIVE INSTITUTIONS MUST HANDLE IMPLEMENTATION, AND INDIVIDUALS MUST BE CONVINCED THAT THE FUNDAMENTAL PHILOSOPHY UNDERLYING SUSTAINABLE ACTIVITIES IS CORRECT AND CREDIBLE. GIZ THUS ACCORDS GREAT IMPORTANCE TO HUMAN CAPACITY DEVELOPMENT IN DEVELOPING COUNTRIES, EMERGING ECONOMIES AND INDUSTRIALISED STATES. IN GERMANY TOO, GIZ SEES A WIDE SCOPE FOR ACTION – FROM ADVISING ON ALTERNATIVE ENERGY SOURCES AND THE GREEN ECONOMY, TO PROVIDING UPSKILLING AND MANAGEMENT TRAINING SERVICES.



»AFRIKA KOMMT!« (»Africa is coming!«) – scholarship holders and their German colleagues learn from one another.

Harnessing GIZ's international experience for Germany

The German sustainability market

Germany is currently facing challenges at national and international level where the experience GIZ has gained in international cooperation for sustainable development and in international education work is proving valuable. Our activities inside Germany focus on initiating international exchange and learning processes so as to devise joint transnational and innovative approaches. With our extensive, long-standing global links to the realms of politics, business and the academic community, and with our experience of managing networks, we at GIZ are well placed to bring together the strengths and special capacities of all parties.

Our work focuses on issues vital for our future, areas in which industrialised countries, emerging economies and developing nations face similar challenges, and where

Germany is a much sought after partner due to its experience. These issues include sustainability strategies and proposed solutions for the switch to sustainable energy systems, green technologies and sustainable business methods. The fields of structural change, political and economic reform processes, regional development and migration also offer interesting opportunities for international cooperation.

Sustainability and the switch to sustainable energy systems

Germany is a pioneer in ushering in a comprehensive shift in its energy policy. Other countries are already showing a great deal of interest in our experience. Two factors will be paramount in determining the success of Germany's move towards alternative energy sources: the large-scale involvement

of various sections of German society in the process, and continuous facilitation of the process that includes regular monitoring. These are areas in which GIZ has a wealth of knowledge to contribute both at national and state level.

The issue of sustainability is another case in point. Under the aegis of the Federal Chancellery, the German Government has revised its sustainability strategy, in close cooperation with all federal ministries, the federal states, the German Council for Sustainable Development (located on the premises of the GIZ Representation in Berlin), and partners from the ranks of civil society and private industry. Germany has led the way in this type of governance for sustainability. It has demonstrated how the sustainability debate can be rolled out



Journalists from around the world are trained at the International Institute for Journalism (IJ) in Berlin. GIZ's IJ offers courses on multimedia journalism, crisis and conflict reporting, media management, international media cooperation and other topics.

as a cross-cutting theme that captures the imagination of politicians, the business community and civil society. Here too, we are already fielding enquiries from outside Germany.

Acquiring new skills

Thanks to the high reputation enjoyed by Germany's vocational training system worldwide, a university landscape geared to the practical application of skills acquired, and a well networked system to foster technological development, the country offers abundant options for acquiring new skills and gaining professional experience. With a broad range of learning and dialogue opportunities, GIZ enables international specialists and managers to obtain a genuine, practical insight into German working practices and approaches.

For instance, opportunities are available under the International Leadership Train-

ing (ILT) Programme, which is implemented on behalf of BMZ and has already received a UNESCO award. Management training courses commissioned by Bavaria's state government are also offered for experts from countries including Ethiopia, the Gambia, Nigeria and South Africa. Yet another initiative is Hamburg's internship programme. This was launched by Hamburg's Senate and Chamber of Commerce in 1992. Since 2003 GIZ's Hamburg office has been implementing the programme on behalf of Hamburg's Chamber of Commerce. It aims to give junior managers from St Petersburg the opportunity to acquire professional experience in businesses and institutions in Hamburg. This is intended to establish and consolidate relations between the two partner cities. Programme participants also find that the three-month internship improves their career prospects and offers the businesses

involved the chance to initiate valuable contacts. Often the internships spawn concrete cooperation agreements.

Potentials for German businesses

GIZ fosters the dovetailing of foreign trade promotion with international cooperation in partner countries. In this way we can offer services that are highly attractive to German businesses seeking support as their organisations and workforces become more international, especially where they are moving into developing countries and emerging economies. GIZ provides access to global networks, business contacts and international expertise and can advise businesses on establishing sustainable value chains.

In 2008, for instance, leading German stock-exchange-listed businesses and major



family businesses together founded the »AFRIKA KOMMT!« (»Africa is coming!«) initiative. The basic idea was to invite junior managers from sub-Saharan Africa to Germany, giving them an opportunity to familiarise themselves with the country, and thus laying the foundations for sustainable business cooperation with Africa. The heart of the programme involves a twelve-month training stint in Germany for junior managers. During this time, participants are fully involved in work processes in the host businesses. The participating German businesses thus invest in the professional training of the future business elite and establish solid partnerships. Participants in turn can build their professional and managerial capacities, and trigger positive changes in their own countries on their return. On behalf of the participating businesses, GIZ is planning and organising the entire initiative – from

selecting participants, planning and managing the overall programme, to creating an alumni network.

A cosmopolitan and sustainable hub of innovation

GIZ's decentralised structure, with offices in 14 of Germany's 16 federal states, allows us to offer services and advice close to home. It also enables us to strengthen Germany's position as a cosmopolitan hub of education, business and innovation. One place where we can see this happening is Bavaria. Since 2002 more than 76 programmes have been run, providing training for over 2,200 participants. On behalf of the Bavarian Ministry of Economic Affairs, Infrastructure, Transport and Technology, our Bavarian office is conducting training in a variety of fields including energy efficiency, renewables and environmental technologies. Participants come from countries as far flung as China, Colombia, Ethiopia, India and Viet Nam.

In Bavaria, GIZ activities also focus on Germany's switch to sustainable energy systems. The expertise we have gained in international cooperation makes us an attractive partner for the Bavarian authorities. We have recently been commissioned by the Bavarian State Ministry of the Environment and Public Health to mediate the discussion process on the ecological use of hydropower. To this end GIZ will be organising workshops for policy-makers, members of the business community and civil society actors.

The diverse contacts that GIZ maintains to major political institutions throughout Germany's states and municipalities, to local businesses and education and research facilities, and of course to civil society are important and indeed essential when establishing partnerships for international sustainable development. GIZ's agency AgenZ provides a new slant on the issue of sustainability. Cooperation between AgenZ and the German Federal Ministry for Economic Cooperation and Development (BMZ), the City of Bonn and the state of North Rhine-Westphalia is receiving funding from the European Regional Development Fund – with a view to fostering new »Bonn Perspectives«. This forum, subtitled A Fresh Look at Sustainability, is exploring the links and reciprocal influences that exist between various policy fields as well as the interaction between business, politics and civil society. This took on a more substantial form at the start of the dialogue series with the conference entitled The Water, Energy and Food Security Nexus – Solutions for the Green Economy. The aim of the 2011 conference was to elaborate overarching approaches that cover water, energy and food security.

INTERNATIONAL COOPERATION WITH EMERGING ECONOMIES IS EXPERIENCING A TRANSITION. IN RECENT YEARS EMERGING COUNTRIES HAVE RADICALLY EXPANDED THEIR FOREIGN TRADE, THEIR OWN FOREIGN DIRECT INVESTMENT AND THE ASSISTANCE THEY PROVIDE TO DEVELOPING COUNTRIES. MANY OF THEM ARE ESTABLISHING THEIR OWN OFFICIAL DEVELOPMENT COOPERATION STRUCTURES. PRIVATE COMPANIES IN EMERGING ECONOMIES TOO ARE INVESTING INCREASINGLY IN OTHER COUNTRIES. IN MANY PLACES THIS ENGAGEMENT HAS HELPED DEVELOP THE LOCAL ECONOMY AND REDUCE POVERTY. FOR TRADITIONAL DONOR NATIONS LIKE GERMANY THIS OPENS UP NEW OPPORTUNITIES AND CHALLENGES FOR INTERNATIONAL COOPERATION.



Future mobility – an electric vehicle recharging

Synergies and new avenues of cooperation

Emerging economies, global partnerships

Trends

Worldwide there are about 30 emerging economies, including G20 states like Brazil, China, India, Mexico, Russia and South Africa. New powers on the international stage, these countries have established numerous alliances and networks, and play a decisive role in influencing and steering global processes. All issues that are relevant for the international community, from climate change to global trade and international development goals, can only be dealt with effectively by working with these new players. The governments of traditional donor nations are thus increasingly endeavouring to get emerging economies on board. The emerging nations themselves are also seeking to establish new avenues of cooperation and fields of action in line with their new status. We are seeing a global sustainability market emerge.

A number of emerging economies are still partner countries of German development cooperation. Traditional bilateral projects aiming primarily to support the national

reform agenda are, however, becoming less prominent. Cooperation with these countries has undergone a paradigm shift, from a one-way North-South, donor-recipient setup to interest-driven international cooperation and strategic partnerships that benefit both sides; from support for national reforms in partner countries to cooperation on global agendas. The areas of cooperation too have shifted, from poverty reduction, health and rural development to global environmental and climate change policy, the global financial architecture, trade and South-South cooperation arrangements.

Decades of experience

GIZ can draw on decades of experience of cooperating with emerging country actors and implementing projects in these countries. Our worldwide partners have, over the years, come to trust implicitly the quality of the services we deliver. With new and innovative approaches we've got what it takes to face the new challenges in the expanding market with emerging

economies. Our portfolio encompasses triangular cooperation, South-South cooperation, cooperation with the private sector, contracts placed directly by national governments and transboundary global partnerships.

Three players with a common goal – triangular cooperation

When a traditional donor works with a »new« donor and a recipient country, with all three parties providing predefined, coordinated inputs, we talk about »triangular cooperation«. Currently GIZ is involved in eleven ongoing arrangements of this type with more in the pipeline, worth a total of about EUR 35 million. As the third partner, GIZ works on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) to provide the knowledge and the tried and tested international cooperation solutions and processes needed by the new donor states. Triangular cooperation is a link between South-South and North-South coopera-



Brazil: A course on using satellite imagery to monitor forests in the riparian states of the Amazon. The course was organised by GIZ's partner, the Amazon Cooperation Treaty Organization (ACTO).

tion, and as such helps dovetail the development investments of emerging nations like Brazil, Mexico, China and Turkey with those of more traditional donors in partner countries. Triangular cooperation is also increasingly attracting cofinancing funds. One example is a project involving Moldova, Romania and Germany, which is aiming to modernise municipal services. Sweden is cofinancing the measure to the tune of EUR 3.3 million.

In Mozambique, GIZ and PTB (the German national metrology institute) are working on behalf of BMZ, alongside Brazil, to support the National Institute of Standardisation and Quality. Cooperation is based on an agreement signed by Germany and Brazil in 2010, which lays the foundations for triangular cooperation in several African and Latin American countries. Brazil's specialist organisations pos-

sess experience in developing and adapting solutions to meet a variety of challenges that Brazil itself faced only a few years ago. Germany has an extensive range of instruments that have proved over a period of many years that they are well suited to achieving results, sustainability and a broad impact in international cooperation. German specialist organisations offer technical expertise in fields in which Brazilian organisations have less experience. The Brazilian Cooperation Agency, ABC, and GIZ are combining these respective strengths under the umbrella of a triangular cooperation arrangement.

Triangular cooperation arrangements with South Africa are also making a tangible contribution to development in other countries. A trilateral cooperation fund established on behalf of BMZ was used to

hold the first ever anti-corruption conference in the Democratic Republic of the Congo. It brought more than 400 experts from civil society, and local, regional and national government, around one table. On the basis of this conference an anti-corruption strategy was developed for this country.

Devising global partnerships – strengthening global players

One truly global partnership is the Alliance for Financial Inclusion (AFI), which is financed by the Bill & Melinda Gates Foundation and implemented by GIZ. It is a global initiative, steered by its members. With the establishment of AFI, GIZ demonstrated its ability to devise and successfully manage global partnerships. AFI is a knowledge network that embraces central banks, ministries of finance and other regu-

latory authorities from a current total of 80 developing countries and emerging economies around the world. It has set itself the goal of giving hitherto unserved sections of the population access to formal financial services. The Bill & Melinda Gates Foundation has put up USD 35 million to finance the network. AFI pursues a global governance approach and is managed by a steering body with representatives of the central banks and banking watchdog bodies from Mexico, Kenya, Nigeria, Thailand, Peru and the Philippines.

About 2.5 billion people still have no access to loans, insurance or savings accounts. Some 2.2 billion of them live in Africa, Asia, Latin America and the Middle East. AFI aims to give another 50 million people access to financial services by 2012, by helping bring about a more conducive policy environment. The work of AFI focuses on South-South exchange, mutual learning, and mutual advisory services.

With a view to strengthening global partnerships, GIZ has since 2011 been implementing a programme on behalf of BMZ which is designed to operationalise BMZ's new strategy for cooperation with global development partners. The Global Partnerships Programme aims to enhance the ability and the will of both Germany and global development partners to make joint contributions to selected global development agendas. Managing Global Governance (MGG), now a component of the programme, has been implemented by GIZ since 2005 in conjunction with

the German Development Institute. The core concern of MGG is to enable junior managers from central government institutions, policy think tanks and independent research facilities in six emerging economies (Brazil, China, India, Indonesia, Mexico and South Africa) and two strategically important partner countries (Egypt and Pakistan) to take an active and efficient approach to global governance. MGG also offers a network, dialogue and knowledge forum that is open to partner institutions. To date about 180 junior managers have undergone training, and a network has been established that today covers some 70 institutions in the eight partner countries and another 60 institutions in Germany and other European countries.

Innovative cooperation in emerging economies – electromobility in China

The meteoric growth in traffic volumes in China, and especially in private motorised traffic, is an increasing problem for the country, given its high level of dependence on imported oil and the ever more pressing need to protect the environment and the global climate. Against this background the Chinese Government is making numerous efforts to boost energy efficiency in the traffic and transport sector, and promote alternative propulsion systems. China is putting its money on electromobility.

Germany and China have agreed to exploit the potentials offered by electromobility to protect the global climate and the environment. Through the measure Climate Change Mitigation and Electromobility

in China, GIZ is working on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety to support our Chinese partners in identifying and analysing how electromobility in China would affect the climate. By the time the project is completed, feasibility studies will have been performed on the implementation of a nationwide recycling system for the batteries used in electric vehicles. The measure is also fostering exchange between Germany and China on the practical results and experience gained.

Business partnerships with the BMW Group and the Volkswagen Group China are bringing the private sector into the project too. This is an example of how cooperation in the field of global climate change policy can serve the interests of all countries involved. Solid foundations have now been laid for other forms of cooperation with and in emerging economies, which should enable us to work together on sustainable solutions to global challenges within our multipolar world.



HEALTH

DEVELOPING PEOPLE'S
PROSPECTS

LEGAL CERTAINTY

CREATING
LIVELIHOODS

SUSTAINABLE
ECONOMIC
DEVELOPMENT

EDUCATION

RENEWABLES

PEACE-
BUILDING

MARKET OPPORTUNITIES
FOR GERMAN
INDUSTRY

GOOD
GOVERNANCE

ADAPTING TO

CLIMATE
CHANGE

Transboundary cooperation

Europe, Caucasus, Central Asia

TRANSBOUNDARY COOPERATION IS CRUCIAL IN THIS REGION, WHICH STRADDLES EUROPE, THE CAUCASUS AND CENTRAL ASIA. FEW PROBLEMS CAN BE RESOLVED BY ANY ONE NATION GOING IT ALONE. WHETHER THE AIM IS TO ENSURE SUSTAINABLE MANAGEMENT IN THE EXTRACTIVE SECTOR, TO ADOPT EFFECTIVE DRUGS POLICIES OR ESTABLISH APPROPRIATE WATER MANAGEMENT SCHEMES, THE COUNTRIES OF THE REGION HAVE A BETTER CHANCE OF SUCCESS IF THEY COORDINATE THEIR ACTIVITIES. THE OPEN REGIONAL FUNDS FOR SOUTH EAST EUROPE ARE A NEW FORM OF COOPERATION IN THIS PART OF THE WORLD. THEY ARE DESIGNED TO STEP UP ECONOMIC RELATIONS AMONG THE COUNTRIES OF THE REGION, AND TO ALIGN THEIR POLITICAL AND LEGAL SYSTEMS MORE CLOSELY. FOR THE EUROPEAN STATES THIS IS ALSO A MUST AS THEY MOVE CLOSER TO ACCEDING TO THE EUROPEAN UNION.

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and other federal ministries, in this region GIZ operates through regional programmes, either supporting transboundary institutions or cooperating with several partners in different states. This fosters an exchange of experience among participants. Under the European Union's Central Asia Drug Action Programme (CADAP), for instance, Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan are coordinating their drugs policies more closely, with the assistance of GIZ. GIZ has been commissioned by both the German Federal Min-

istry of Health and the German Federal Ministry of Economics and Technology in this regard.

To avert looming shortages and conflicts, the five Central Asian states also aim to cooperate more closely on water resources management, an area that is crucially important for them. On behalf of the German Federal Foreign Office and with EU cofinancing, GIZ is supporting water sector institutions in their efforts to establish a system of sustainable regional water resources management that will also take account of energy and climate-related concerns. Furthermore, Kyrgyzstan, Kazakh-

stan and Tajikistan aim to make better use in future of their mineral reserves in order to generate sustainable, pro-poor development. With the help of the planned regional programme, which GIZ is to implement with the German Federal Institute for Geosciences and Natural Resources on behalf of BMZ, German industry too is to be involved in a regional public-private dialogue.

Some of the most innovative measures include the open regional funds, which focus on issues such as modernising municipal services, foreign trade advisory services, energy efficiency and legal reform,

and the relatively new transboundary triangular cooperation arrangements. In the Republic of Moldova, for instance, Romania, which only recently joined the EU itself, is for the first time assuming the role of a donor state and supporting the mod-



Georgia: For BMZ, GIZ is delivering advisory services on legal and judiciary reform in the Southern Caucasus. Armenia, Azerbaijan and Georgia have already implemented radical legal reforms.

ernisation of Moldova's municipal services. This cooperation arrangement, in which GIZ acts on behalf of BMZ to advise the partner local authorities in Moldova, using Romanian financial contributions, is attracting great interest on the part of other donors. Sweden's development agency SIDA is now cofinancing a large part of the project.

Aligning legal systems with European standards

In South Eastern European states, efforts to stamp out corruption are a top priority. These countries are receiving assistance from the EU in this regard. One example is a new project that networks the public prosecutors' offices in the Western Balkans states more closely. European public prosecutors are supporting their counterparts

in the Western Balkans. Transboundary investigations and reciprocal assistance in judicial matters are to be initiated. The project is being implemented by GIZ on behalf of BMZ in partnership with the Dutch Center for International Legal Cooperation.

In view of the prospects of full EU membership, Serbia also aims to align its legal system with European standards. An EU-financed project is to reform Serbia's penal system. The project – implemented by GIZ International Services (GIZ IS) on behalf of the Serbian Ministry of Justice – is seeking alternatives to custodial sentences for minor offences.

Azerbaijan is also reforming its national law. Since 2011, citizens have been able to have the actions and decisions of state administrative bodies, and indeed their failure to make decisions, reviewed by independent administrative courts. An initial random-sample survey demonstrates how well the new system, devised in part by GIZ over the last few years on behalf of BMZ, is working. At the country's three administrative courts, plaintiffs won their disputes with the state administration in 80% of the cases heard – a promising step forward in the fight against corruption.

Health campaigns and energy efficiency

Medical counselling services are also vitally important, in Bosnia and Herzegovina as elsewhere in the region. On behalf of BMZ and in cooperation with the German company Bayer HealthCare, young people aged between 14 and 26 in selected municipalities are being taught how to use contraceptives properly. Unplanned pregnancies and sexually transmitted infections



Pakistan: Quality control in a textile production unit. For BMZ, GIZ is advising the Ministry of Water and Energy as part of a renewables and energy efficiency programme. In cooperation with the private sector, including the association of the textile industry, potential ways of saving energy have been identified.

are a growing problem within this age group. To this end, the partners are producing training packages, in consultation with the relevant ministries. They are also training the staff of local health and youth centres, as well as gynaecologists. An information and education campaign has been launched on the streets, on television and on the internet, and an online counselling service is available.

In Kazakhstan the focus is also on health. On behalf of the European Union and as part of the EUNIDA European Network of Implementing Development Agencies, GIZ is advising Kazakhstan's Ministry of Public Health and downstream authorities on the prevention and control of infectious diseases, with a special focus on tuberculosis, HIV/AIDS and hepatitis C.

In Ukraine GIZ is working on behalf of BMZ to support the Ministry for Regional Development and Building in pressing ahead with the energy-efficient renovation of buildings. The measure is flanked by a development partnership under the

BMZ's develoPPP.de programme with TÜV Rheinland Industrie Service GmbH, which concentrates on the legal, financial and technical requirements for overhauling lifts. With appropriate incentives, the renovation of lifts in Odessa alone could cut emissions of CO₂ by about 2.5 million tonnes.

50th anniversary of German-Pakistan development cooperation

Pakistan was one of Germany's very first partner countries in development cooperation. In 2011 celebrations were held in Berlin and Islamabad to mark the achievements of fifty years of German-Pakistan development cooperation in the education, health, energy, good governance and rural development sectors. This partnership has, for instance, given rise to an academy for public health management, the reform of teacher training, the introduction of energy-saving measures in the textile industry and vocational training centres for woodworkers and orthopaedic technicians. The ongoing programme to reform Pakistan's vocational training system, which

GIZ is implementing on behalf of BMZ, is one of GIZ's largest programmes in the world in this sector. It has a total budget of EUR 42.4 million, thanks to extensive cofinancing by the Government of the Netherlands and the EU. The five-year programme aims to give young people easier access to high-quality vocational training, and to facilitate their entry into the labour market.

A measure financed by the German Federal Foreign Office is designed to support Pakistan's police force. Along with Pakistan's Ministry of the Interior and the National Police Bureau, GIZ organised the second international Islamic conference of police officers in Islamabad in November 2011. Representatives of 15 countries attended and devised strategies to strengthen the role of women within the police force.

The region at a glance

A total of 422 seconded and 2,481 national personnel were working for GIZ in Europe, the Caucasus and Central Asia as 2011 drew to a close. A further 50 development advisors*, including 14 Civil Peace Service experts, were also employed in the region. The Centre for International Migration and Development (CIM) places experts with local employers. In 2011 a total of 180 integrated experts were employed directly by organisations and businesses in the region, and 48 returning experts were receiving financial support and advice from CIM. GIZ's engagement in Afghanistan and Pakistan was vitally important. In 2011, German-Pakistan development cooperation celebrated its 50th anniversary. In Afghanistan the top priority is to create prospects for the people and lay the foundations on which they can establish a livelihood, thus creating an enabling environment for stable national development. Throughout the region GIZ is working for BMZ primarily in the fields of sustainable economic development, good governance, education, health, renewable energies and the environment. The integration of South Eastern European states into the European Union and the alignment of frameworks in neighbour-

ing states with EU standards are important fields of cooperation. We are also operating on behalf of other German ministries, including the Federal Foreign Office and the Federal Ministry of Defence in the fields of conflict prevention, peacebuilding, stabilisation and legal certainty, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety in the field of climate change mitigation and adaptation, and the Federal Ministry of the Interior in assisting the ethnic German minority in the Russian Federation. GIZ also works on behalf of the World Bank, the Government of the Netherlands and AusAID, the Australian Government's overseas aid programme. GIZ International Services is actively involved in the economic development, health, environmental and state modernisation sectors – employing 36 seconded and 278 national staff members at year-end. Cooperation with the private sector also plays an important role for GIZ. (Figures as at 31 December 2011)

* not including junior development advisors and development advisors undergoing preparatory courses inside Germany

Prospects for Afghanistan – from strengthening civil society to the extractive sector

During the transitional phase in Afghanistan and in the run-up to the planned withdrawal of the ISAF troops, the top priority is to lay the foundations for stable and secure development. GIZ is an important actor in the German Government's political project to shape the period of transition from 2014 to 2015. The spectrum of areas in which GIZ is engaged on behalf of BMZ and other German federal ministries in Afghanistan is therefore very wide: sustainable economic development, especially in rural regions, energy and water supplies, health, basic education and vocational training, good governance and human rights, gender equality and the rule of law.

If people are to establish a secure livelihood, a basic infrastructure must be in place along with a vibrant economy that is well linked to the rest of the region. On behalf of BMZ, GIZ thus supports infrastructure development and initiates regional economic activity. This includes delivering advisory services and training to our Afghan partners, to enable them to increasingly assume full responsibility for reconstruction. Efforts here have led to a tangible improvement in the situation and income of hundreds of thousands of individuals. Surfaced roads mean that these people can get their produce to market more swiftly, and they now have access to electricity and safe drinking water. Since they have been able to irrigate their fields regularly, harvests have improved. Pilot projects in northern Afghanistan are help-

ing create new jobs in the skilled trades and in agriculture.

For the German Federal Foreign Office, GIZ is also assisting the Afghan police force. Apart from building and fitting out police facilities, we are supporting literacy courses for police officers. GIZ is also training air traffic controllers in Mazar-e Sharif; by 2014 at the latest they are to assume responsibility for the safety of air traffic.

On behalf of the Global Fund to Fight AIDS, Tuberculosis and Malaria, GIZ IS has been supporting Afghanistan's Ministry of Public Health in HIV prevention and treatment and in the construction of HIV centres and other medical facilities since 2008. Parallel to this, GIZ experts are training hospital managers.

Sustainable economic development depends on legal and institutional frameworks to improve domestic trade, strengthen the private sector and promote exports. To this end, GIZ is working on behalf of BMZ with the Afghanistan Chamber of Commerce & Industries to produce the paperwork needed for Afghanistan to join the World Trade Organization (WTO), and is clarifying issues pertaining to trade, export and customs policy. In addition GIZ is advising the Afghan Government on the establishment of chambers of commerce and industry, professional associations and the national export promotion agency. It is also supporting the reform of the national vocational training system to gear the training available more closely to the practical needs of industry.

Under the Regional Capacity Development Fund (RCDF) and the Regional Infrastructure Development Fund (RIDF) GIZ and KfW are working on behalf of BMZ to help the Afghan Government strengthen regional administrations at provincial and district level. The aim is to improve public services and enable the provincial and district authorities to carry out their own infrastructure projects. This should help state institutions win the trust of the people, by proving their competence in their fields and thus gaining respect as legitimate decision-makers.

One CIM expert employed by the Ministry of Information and Culture has been working to preserve the country's cultural treasures. The expert trained staff of the National Museum in Kabul and supported the ministry in the planning of smaller provincial museums, so that people outside the capital can share in the nation's cultural heritage. That too is an important step towards normality.

The country's rich mineral resources offer huge opportunities for reconstruction and economic growth, although they have hitherto been largely neglected. For this reason GIZ is working on behalf of the German Government to support the public agencies



Afghanistan: Students at a vocational school in Kabul – at this educational institution men and women are taught together.

responsible within Afghanistan. Modern analytical and mapping methods are to be established and a sustainable investment policy designed. Thanks to the intensive training of staff in general geology, extraction, information technology, reporting, environmental protection and social standards, Afghan partners are now able to devise their own sustainable sectoral policy.



VOCATIONAL
EDUCATION

WOMEN
IN WORKING LIFE

ENVIRONMENTAL
PROTECTION

RENEWABLE
AND WATER

EDUCATION AND
TRAINING
FOR YOUNG PEOPLE

CIVIC
ENGAGEMENT

PROMOTING
POLITICAL
PARTICIPATION

A region in transition – creating prospects for young people

Mediterranean and Middle East

HEADING THE LIST OF IMPORTANT TASKS FOR INTERNATIONAL COOPERATION IN THIS REGION ARE IMPROVING THE PROSPECTS OF YOUNG PEOPLE, SUPPORTING POLITICAL REFORM, AND FOSTERING CIVIL SOCIETY. FOLLOWING THE PRO-DEMOCRACY UPRISINGS IN NORTH AFRICA AND THE MIDDLE EAST, THE GERMAN GOVERNMENT LAUNCHED EMERGENCY MEASURES IN 2011 TO HELP MEET THE PEOPLES' DEMANDS FOR JOBS, LIBERTY AND POLITICAL RIGHTS.

As the Arab uprisings demonstrated, it is the young people in particular in the Mediterranean and Middle Eastern Region who need genuine prospects. The under-25s account for 60% of the population, and 30% of them have no job – irrespective of whether or not they have qualifications to offer. The rate of unemployment among young women is even higher. In Egypt GIZ supported the National Employment Pact in early 2011 on behalf of BMZ. This was an initiative launched by the private sector in Germany and in Egypt together with the German-Arab Chamber of Industry

and Commerce. It aimed to create 5,000 jobs within one year. After nine months the initiative had managed to create 4,200 jobs; more than 3,700 young Egyptians already have a contract of employment. To train young people across the region for the vacancies available and to give graduates of vocational schools practical professional experience, BMZ swiftly put in place an open regional fund for the training and employment of young people. GIZ has been commissioned to manage the fund.

Fostering participation in the political process

The democratisation of society – one of the key demands of the Arab uprisings – calls for greater participation and for people to be given a greater say at local and other levels. In order to strengthen municipal governments and institutions, which are always people's first port of call when it comes to services like water, electricity and health care, GIZ is supporting national governments in the field of municipal and urban development. One example is the Local Governance and Civil Society Devel-

opment Programme in the Palestinian territories, which is financed by BMZ. Many youth initiatives have been spawned by this programme – ample proof that young people are willing to get involved and to work to improve their societies. In June 2011 some 300 mayors, municipal representatives and ministerial executives signed a code of conduct, which had been drawn up jointly by the Palestinian Ministry of Local Government and GIZ. It obliges municipalities to respect the tenets of

and strategic marketing, is supporting the establishment of a supraregional, pan-Arab literacy initiative throughout the Middle East and North Africa. The initiative is now sponsored and managed by literacy and literature promotion institutions from various Arab countries. Education packages that address broad sections of the population of the region are needed if civic engagement – and with it democratic structures – are to flourish.



Saudi Arabia: To train young people in occupations that are much in demand in Saudi Arabia, the government has initiated education reforms. Training vocational school instructors is the key to success. The Saudi Arabian Technical and Vocational Training Corporation contracted GIZ International Services to establish the Technical Trainers College in Riyadh, which is the first facility of its kind in the country.

good governance and transparency in their decision-making.

Education – and hence literacy – is a cornerstone of active participation and sustainable development. This is why AgenZ, GIZ's agency for political communication

With its transition partnership for North Africa, the German Federal Foreign Office aims to boost confidence in the political reform process. It has commissioned GIZ to implement a measure in Tunisia that is designed to help the Tunisian people come to grips with the excesses and human rights

The region at a glance

As 2011 came to an end, GIZ was employing 110 seconded and 606 national personnel in the Mediterranean and Middle East Region. A further 49 development advisors*, including 12 Civil Peace Service experts, were deployed in the region. The Centre for International Migration and Development (CIM) places experts with local employers. In 2011, a total of 45 integrated experts were employed directly by organisations and businesses in the region, and 80 returning experts were receiving financial support and advice from CIM.

GIZ receives most of its commissions for work in the region from the Federal Ministry for Economic Cooperation and Development (BMZ), the Federal Foreign Office, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the European Union. We also work closely with German chambers of commerce in the region.

GIZ International Services operates in the region for national and international organisations and for the governments of individual countries, in the fields of vocational training, renewable

energies and water, to give but a few examples. At year-end, 119 seconded and 131 national staff were employed by GIZ IS in the region.

Even before the recent uprisings in several Arab states, education and training for young people and the promotion of political participation and civic engagement were some of our main fields of activity in the Mediterranean and Middle East Region.

(Figures as at 31 December 2011)

* not including junior development advisors and development advisors undergoing preparatory courses inside Germany

violations that immediately preceded the revolutionary uprisings. Specialists from the legal system and the administration, media representatives and civil society organisations are being familiarised with the fundamentals in this new field. They have the opportunity to share experience with those affected and experts from Europe and neighbouring countries (Libya, Morocco and Egypt).

No sustainable economic development without women

Providing the appropriate training needed to meet the specific demand for skilled workers across the entire region will be a long-term task. This is why, on behalf of BMZ, GIZ is forging ahead to establish and expand vocational training systems, particularly for technical occupations. GIZ helped the Palestinian Authority to design the labour market and vocational training strategy it adopted in 2011, and has been involved in putting large parts of the

strategy into practice. In the West Bank and Gaza, support is being provided to colleges and training institutes. Cooperation arrangements have been established with vocational schools that are developing practical training courses geared to local demands, especially for automotive technicians and for facility and industrial plant maintenance technicians. The local economy is benefiting. GIZ has already helped more than 100 young men and women start up their own businesses.

Sustainable economic development is inconceivable without the involvement of the private sector. That is why BMZ launched a pilot programme in the region as a development partnership with the private sector; German chambers of commerce abroad cooperate with local businesses and chambers. Since 2011 a CIM expert has been working for the Tunisian-German Chamber of Commerce and Industry, helping for instance to market

Tunisian olive oil abroad. The rising sales figures speak for themselves.

But, if the economy is to continue flourishing in the long term, women will have to be involved. At the moment they account for only about 14% of all people with full-time work. With a measure to promote the integration of North African and Middle Eastern women into the region's economy, GIZ is specifically addressing this target group. We have also entered into a cooperation arrangement with the German tourism company TUI; women are to be trained in the service sector and subsequently employed in TUI hotels across the region.

Sound economic-policy decisions can only be made on the basis of reliable data. So that national economies can draw on usable data, the United Arab Emirates have been cooperating since 2010 with GIZ International Services and Ifo, the

economic research institute of Munich University. Early warning economic indicators are to be devised for the Department of Indicators, Research and Future Studies in Abu Dhabi. They can then be taken as the basis for political decision-making processes.



Promoting vocational training in Lebanon: on behalf of BMZ, GIZ is supporting private and public providers of vocational education and training.

Reviving the economy – with environmentally sound methods

The region has a vast but largely neglected potential for using wind and solar power. Things are beginning to move here though, especially in Morocco, which is poised to become the first exporter of power gener-

ated from renewable sources in North Africa. Since 2011 GIZ has been supporting the German Federal Ministry of Economics and Technology in drawing up an energy strategy and in compiling energy statistics, in an EU-financed twinning project with Morocco's Ministry of Energy, Mines, Water and Environment. The aim is to link up the activities of all parties involved in large-scale solar power projects – whether from industry or the services sector – with measures in the field of applied research and support policy.

Under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, GIZ is supporting the Moroccan Government and other countries in the region in building regional, modern energy systems that do not harm the global climate. This support is geared to implementing the Mediterranean Solar Plan of the Union for the Mediterranean.

Environmental management is another field where there is scope for improvement, in Tunisia as elsewhere. Here GIZ is working on behalf of BMZ within another development partnership with the private sector, in this case the retailer Monoprix, to train staff in the company's 60 branches and establish a trainer network for the whole of the Maghreb. Initial results are encouraging – fewer plastic bags, more recycled batteries, and a cut of 10% in energy consumption.

The region's transport sector too is to become more environmentally friendly. Take Saudi Arabia as an example: in 2011 GIZ IS was contracted by the Saudi Railways Organization to draw up a national



Morocco: The vast potential for harnessing wind and solar power in the Middle East and North Africa has to date been largely untapped. But change is in the air, especially in Morocco.

rail master plan for the period 2010 to 2040 in conjunction with Dornier Consulting. On the basis of the project results, the existing rail network is to be expanded and railway operations planned for the decades to come. The services of GIZ IS are also very much in demand when it comes to rehabilitating and restructuring hospitals – in Morocco for instance it is working on behalf of the European Investment Bank. The Moroccan partners are being supported in building five new hospitals and rehabilitating eleven others.

Managing scarce water resources efficiently

One of the greatest challenges at present is to make careful and efficient use of scarce water resources, and ensure that they are equitably distributed. The countries of the Middle East and North Africa are some of the most arid in the world. They are also especially at risk from the impacts of climate change. All countries are working to reform their water sectors, often in cooperation with German businesses. The main concern of the German and Arab Water

Sector Network is thus to bring together, through stakeholder dialogues, German international cooperation, private businesses, chambers of commerce and sectoral associations, and their Arab partners. The Network, which GIZ manages on behalf of BMZ, is intended to render water management more efficient using German technological and managerial expertise in the drinking water, sanitation and hydraulic engineering sectors.



SUSTAINABLE ECONOMIC
DEVELOPMENT
ENVIRONMENT AND
CLIMATE
CHANGE
DEVELOPING
SOCIAL
STANDARDS
DEVELOPMENT
PARTNERSHIPS
WITH THE
PRIVATE SECTOR
EDUCATION

Strategies for sustainable growth

Asia

DYNAMIC ECONOMIC GROWTH REMAINS THE HALLMARK OF THE REGION. CHINA AND INDIA ARE NOW PLAYING AN IMPORTANT AND SELF-CONFIDENT ROLE ON THE WORLD STAGE. WITHOUT THEM, GLOBAL TASKS SUCH AS MITIGATING AND ADAPTING TO CLIMATE CHANGE CANNOT BE ACCOMPLISHED. COUNTRIES SUCH AS THAILAND, VIET NAM AND SRI LANKA ARE ALSO POSTING HIGH GROWTH RATES – WITH ALL THE PROBLEMS THIS ENTAILS. RAPID ECONOMIC GROWTH OFTEN GOES HAND IN HAND WITH AN OVER-EXPLOITATION OF NATURAL RESOURCES. AND THE LIVING AND WORKING CONDITIONS OF MANY PEOPLE WILL NOT IMPROVE OVERNIGHT.

GIZ's work in the region must meet a broad spectrum of requirements. In 2011, demand was strongest for measures to support environmental protection, climate change mitigation and adaptation, and sustainable economic development. The latter generated a need for vocational training and the development of social standards. Peacebuilding measures were also in demand – Sri Lanka and Cambodia being two cases in point.

China has already responded to the need for responsible economic development, and has decided to orient its growth more firmly toward ecological and social sustainability. It intends to pursue growth in less

resource-intensive ways, reduce its CO₂ emissions substantially, and introduce internationally recognised social and environmental standards in enterprises. GIZ is supporting China in these tasks on behalf of the German Government, in a global strategic partnership that combines German know-how with Chinese development experience.

The key issues of international cooperation in the region include mitigating the scale of climate change as far as possible by increasing energy and resource efficiency, and stepping up environmental protection. They also include taking adaptation measures in countries particularly affected by

climate change, such as those in the Himalayan region, to ensure that they can cope better with its impacts.

A smartphone app to reduce the carbon footprint

As road traffic continues to grow, how can the carbon emissions that damage the climate be reduced? This question was addressed by a development partnership in China that GIZ implemented jointly with Deutsche Telekom, on BMZ's behalf. The centrepiece of this »pay-as-you-pollute« project was a special smartphone app, capable of measuring the mileage covered on a given journey and recording the use of the accelerator and the brake. Irrespective

of the vehicle being driven, the app can then calculate the fuel consumption and thus the carbon emission in real time. On this basis, a »pay-as-you-pollute« incentive system can be introduced to change driver behaviour. Drivers who accelerate less and drive more energy-consciously benefit.



Viet Nam: At Ha Tinh Vocational College, development advisors support the training of mechatronic engineers.

The incentives in this case included an emission-based charge for driving in inner city zones, and parking vouchers for the cities. The app is suitable for use by fleet operators, taxi and logistics companies, and private individuals.

Mitigating climate change is also the aim of a project with Maldives. This archipelago in the Indian Ocean uses diesel generators to produce almost all of its energy. The brisk traffic of boats and ships, cars and mopeds, and the incineration of waste on an island reserved for that purpose, cause

additional emissions. Since the end of 2011 the Maldivian Government has been cooperating with GIZ. By using renewable energy and energy-efficient technologies the government intends to reduce its CO₂ emissions, which are harming the climate. Financed by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, GIZ experts, including one CIM expert, are supporting the government in guaranteeing efficient cooperation and coordination among the private and state actors involved.

For sustainable and inclusive economic development

The decision of the Association of South-east Asian Nations (ASEAN) to put in place a single market by 2015 is creating a level of competition within the region for which some countries are ill equipped. In this situation, international cooperation is required to help reduce pronounced regional disparities. On BMZ's behalf and in cooperation with the private sector, GIZ is supporting countries such as Laos in developing their institutional capacities, boosting the competitiveness of the private sector and establishing a vocational training system that is responsive to labour market needs.

The huge differences in development status that we see across the region as a whole are also apparent within some individual countries. One example is Cambodia, where the poverty rate of around 30% is among the highest in South-East Asia. Despite impressive growth rates and progress with reforms and poverty reduction, growth is concentrated in the textile,



Thailand: Using funds from the International Climate Initiative (ICI), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety is promoting the introduction of international sustainability standards in palm oil production in Thailand. GIZ is advising small farmers aiming to switch to sustainable cultivation methods.

The region at a glance

As 2011 came to a close, 346 seconded and 1,869 national personnel were working for GIZ in Asia. A further 170 development advisors*, including 21 Civil Peace Service experts, were also employed in Cambodia, Nepal and the Philippines. The Centre for International Migration and Development (CIM) places experts with local employers. In 2011 a total of 131 integrated experts were employed directly by organisations or companies in the region, and 180 returning experts were receiving financial support and advice from CIM.

GIZ is supporting partners in Asia on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), as well as other German federal ministries including the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Foreign Office. Our work in the region focuses on the environment and climate change, sustainable economic development and education.

KfW is also one of GIZ's cooperation partners in Asia. It is involved in a programme for regional economic development in Cambodia that was commissioned by BMZ. GIZ also achieves its objectives rapidly and efficiently in development partnerships with the private sector. Operating on behalf of commissioning parties such as the European Commission and Asian governments, at year-end GIZ International Services was employing a total of 15 seconded and 75 national staff members in countries such as Indonesia and India, in areas including health and vocational training. (Figures as at 31 December 2011)

* not including junior development advisors and development advisors undergoing preparatory courses inside Germany

tourism and construction industries in the urban centres. The rural hinterland barely benefits. Changing this is the goal of the Regional Economic Development Programme commissioned by BMZ.

The programme focuses on cooperation between the state, the private sector and civil society. It was launched in late 2007 in cooperation with KfW in the Siem Reap region, whose rural districts are among the poorest in the country. The programme has already delivered clearly visible results. Some 10,000 rice and vegetable farmers have improved their production methods, as well as the quality and competitiveness of their products, and increased their yields significantly. Some of the strategies, instruments and guidelines developed by the programme are now also being used in other provinces.

Developing social standards

To ensure that increased productivity is not achieved at the expense of workers, the population as a whole or the environment, corporate social responsibility (CSR) is becoming increasingly imperative. In Bangladesh, for instance, GIZ – on BMZ's behalf – is entering into development partnerships with international companies in order to support the introduction of social and production standards among their suppliers. The areas covered range from energy efficiency, chemical safety and management to conflict mediation. In a cooperation arrangement with Marks & Spencer, one project sought to improve production conditions among textiles manufacturers. This involved selecting three pilot factories, where several hundred individuals were trained as in-house advisors. These advisors are now transferring their knowledge. The employees are aware of their rights, and now have designated

contact officers to help them identify solutions to any problems. The programme has been expanded to cover another eight Marks & Spencer suppliers, and is currently being transferred to India.

In Nepal over 100,000 people are employed in tea growing, but many have so far found it difficult to earn a steady income. On BMZ's behalf, GIZ has launched a jointly financed development partnership with the Tee Gschwendner company. The partnership is helping tea-growing families in Ilam district meet international standards for organically produced tea and fair trade. Their organically grown tea commands higher prices, as demand continues to rise. Both farmers and tea merchants profit from this. After five years the project now has a proven track record. Over 100 tea farmers have so far switched to organically certified cultivation, and a further 130 are in the process of doing so.

Peace and democracy

After decades of violent conflict, the peace in Sri Lanka remains fragile. GIZ is involved in projects to strengthen peace on behalf of BMZ, as well as measures commissioned by the German Federal Foreign Office. This includes activities to foster mutual understanding and social cohesion between the different ethnic groups. It also entails making public administration more responsive to citizens' needs. Vocational training projects are giving young people genuine prospects of a better future.

In Cambodia too, more than 30 years after the Khmer Rouge dictatorship, efforts to deal with the past remain ongoing. Those primarily responsible for the murder of 1.7 million people are currently being tried. On BMZ's behalf, Civil Peace Service (CPS) experts assigned by GIZ are using the present tribunal together with civil society partners to drive the reconciliation process forward. A team of legal experts, psychologists and journalists is enabling survivors to participate in the proceedings as witnesses or as plaintiffs. The team also offers psychological counselling to the victims as they come to terms with their traumatic experiences. And they organise PR work relating to the activities of the tribunal.

Fit for school, fit for life

It is now standard practice at schools in the Philippines for children to wash their hands with soap and brush their teeth every day, in addition to undergoing deworming treatment every six months. On BMZ's behalf GIZ is implementing this school health programme, which is cofinanced by the Australian Agency for International Development (AusAID), in cooperation with Fit for School Inc., a local non-governmental organisation. The

programme is the response of the Philippine Department of Education to the alarming health status of many Filipino children. By 2011, only four years after the programme was launched, over two million children in 40 provinces had already been reached. Absenteeism among children with access to the programme is already reduced after only one year. The proportion of

children than in the control groups. This is why the Fit for School programme received an award from the World Bank, UNDP and WHO in recognition of its innovative approach to health care, and why it is in demand worldwide.



Sri Lanka: A project that GIZ is implementing on behalf of the German Federal Foreign Office is helping young people deal with their experiences of war by imparting skills that foster peaceful coexistence. And it is supporting the young people through vocational training that will enable them to earn their own income, for instance in the construction sector.

underweight children has dropped by 20%, while the proportion of those with severe worm infestation has been virtually halved. The rate of caries-related infections was also found to be significantly lower in these



PROTECTING
NATURAL
RESOURCES
AND

ECO-
SYSTEMS

PARTICIPATION BY THE

INDIGENOUS
POPULATION

ORGANIC
PRODUCTS

FOR MORE INCOME

PROMOTING
SUSTAINABLE

DEVELOPMENT

RESPONDING TO

CLIMATE
CHANGE

IMPROVING

INFRA-
STRUCTURE

Protecting ecosystems sustainably – raising incomes

Latin America

LATIN AMERICA'S VITALLY IMPORTANT ECOSYSTEMS MAKE IT A BIODIVERSITY HOTSPOT. THIS IS WHY ADJUSTING TO CLIMATE CHANGE AND PROTECTING NATURAL RESOURCES AND ECOSYSTEMS ARE AT THE TOP OF THE AGENDA. ONE REASON WHY THESE RESOURCES ARE COMING UNDER INCREASING PRESSURE IS CONTINUED ECONOMIC GROWTH IN THE REGION. POLITICAL PARTICIPATION BY INDIGENOUS PEOPLES IS ALSO A MAJOR ISSUE.

Protecting natural resources

Whether in the Amazon basin, in the Andes or along the coasts, it is imperative throughout Latin America to protect the continent's remarkable biological diversity. GIZ is working to do just this in Ecuador through the Sustainable Management of Natural Resources Project, which is funded by BMZ. Although almost one fifth of Ecuador's territory consists of designated protected areas, the tropical rainforest is under threat. Some 200,000 hectares are destroyed every year. Here, the project aims to involve the local population, as well as the provincial and municipal administrations, more closely in the con-

servation of their natural resources. It also aims to give them a bigger say and wider scope for decision-making. Moreover, GIZ experts are advising small farmers and producers' associations on how to make their cultivation methods for cocoa, coffee, wood and fruits more ecologically and economically sound, and increase their income. Since these activities were launched, more than 45,000 hectares of land have been newly designated as protected areas. Six new local coordinating committees are involved in managing the protected areas and their zones of influence.

In Costa Rica almost a third of all solid waste is disposed of in an uncontrolled fashion – at the expense of the environment, public health and the economy. So far, less than 10% of valuable recyclable materials have actually been recovered and recycled. To support Costa Rica in establishing integrated solid waste management and promoting ecologically sound production methods in the private sector, GIZ – on BMZ's behalf – has launched the Competitiveness and the Environment Project. With impressive results. The government has since passed a new waste management law and adopted a national waste management plan. Thirteen pilot

municipalities are implementing their own site-appropriate waste management plans. New regulations now govern the operation of recycling centres, the recovery of electronic scrap and the handling of used tyres and medicines. Furthermore, the consensus-based cooperation between the state, municipalities, civil society and the private sector that the programme had established has since been formalised. Word of the project's success has reached other countries in the region, and there are now plans to transfer the methods developed to other interested countries through triangular

cooperation arrangements. With its environmental and climate change policy, Costa Rica is leading the way forward both in Latin America and in the world. The country has pledged to become carbon neutral by 2021. On behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, GIZ is advising the Costa Rican Government on achieving this target. The government plans to use renewable energy sources in conjunction with energy-efficient low-carbon technology in order to reduce harmful carbon dioxide emissions,

and to initiate a process of sustainable development in cooperation with the private sector.

Climate change a burning issue

Achieving a low-carbon economy and decoupling economic growth from CO₂ emissions will require not only new technologies, but also political communication and information. In 2011, on behalf of the German Federal Foreign Office, GIZ therefore organised a five-day trip to Germany for Brazilian MPs. This gave our guests an opportunity to compare notes



Brazil: Advising on policy at the Ministry of the Environment, on behalf of BMZ.



Costa Rica: Tin cans are sorted and pressed into blocks.

and exchange ideas with German decision-makers responsible for energy policy and the switch to sustainable energy systems. They familiarised themselves with projects, which provided them with ideas for enabling frameworks in Brazil.

As part of its »energy package«, the German Government created the Energy and Climate Fund in 2010. This fund is designed to finance climate change mitigation measures, and drive Germany's switch to sustainable energy forward. The fund also includes a special international climate change and environmental protection component. Some of the funding has been generated by the German Government through the sale of carbon emission rights. The money is allocated to BMZ and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and is earmarked for biodiversity and forest measures, more climate change mitigation and adaptation measures, activities under the International Climate Initiative (ICI), and the German Climate Technology Initiative.

The International Climate Initiative (ICI) has been financing climate change mitigation and adaptation projects, as well as

measures to promote biodiversity in developing, emerging and transition countries, since 2008. Innovative projects are under way in many Latin American countries, including Mexico. In addition to large schemes such as the 25,000 Solar Roofs for Mexico Project, GIZ is operating on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety – also through the ICI – in schools, to demonstrate how carbon emissions can be reduced. Here GIZ is supporting youngsters with a wager they made with the environmental ministers of three federal states. They bet that their schools could reach the emission reduction target of 20% by the end of 2012, well before the 2020 deadline, and save a considerable amount of water to boot.

Alliances for sustainable development

To get macroeconomic development moving, the region must gain access to international markets, step up intra-regional trade and modernise its infrastructure for the future. The Central American Customs Union and the Association Agreement with the EU are steps in the right direction. In Costa Rica, for instance, efforts are

under way to expand and rehabilitate the road network. This is important because poor roads and paths still make it more difficult for the rural population to access goods and services. Thanks to its many years of positive experience with GIZ, the Costa Rican Government has therefore commissioned us for the first time using funds from its own budget. Since December 2011, GIZ IS has been advising the Ministry of Public Works and Transport (MOPT) on the rehabilitation of 1,500 km of rural roads, and is promoting cooperation with the municipalities and canton administrations. To ensure that road construction projects are planned and executed efficiently at the local level, civil society is also being involved extensively.

In a strategic alliance that GIZ has entered into on BMZ's behalf with the largest steel producer in South America, the Brazilian steel group Gerdau, around EUR 3 million is being channelled into training for scrap metal collectors in Brazil, Chile, Peru and Uruguay. In doing this, the alliance is pursuing several development goals simultaneously. It aims to make collecting scrap metal safer for people, and even turn it into a proper occupation, with fixed prices per

kilogram. Yet Gerdau also stands to benefit. The company can rely on suppliers and quality, and thus increase production. The project is also improving living conditions on the ground, and is helping bring supply chains into line with social standards.



Peru: On BMZ's behalf, GIZ is supporting Peruvian regional governments and authorities in designing strategies for sustainable natural resource management. Small farmers in the Cajamarca region have since been highly successful in cultivating the orchard fruit tara. GIZ is advising the local farmers' associations.

Better products and more income – this is also the result of a cooperation arrangement in Nicaragua. In the area surrounding the Río San Juan biosphere reserve, GIZ development advisors – in cooperation with the Danish embassy, the chocolate manufacturer Ritter Sport and a local small farmers' cooperative – are advising some 250 small farmers on the cultivation of organic cocoa. A local farmer-to-farmer volunteer extension system has also been established. Instead of the planned 50%, 90% of the organised farmers are now

certified organic producers. More than half their crop is exported as organic produce, which enables the farmers to generate additional income.

Working for greater security

In Central America, crime and youth violence are a major constraint to development. On behalf of BMZ, GIZ is supporting the General Secretariat of the Central American Integration System (SG-SICA) in fostering a culture of peace and preventing the emergence of youth violence. One focus of the work is on finding ways of actively involving young people in the political process. Together with the national youth agencies of El Salvador, Guatemala and Honduras, we are working to help improve the lives of disadvantaged youths, and improve their prospects of finding employment by providing them with training.

Not only the present can paralyse development; so too can a legacy of civil war or human rights violations that people have yet to come to terms with. In Peru, for instance, an internal conflict in which some 70,000 people disappeared or were killed between 1980 and 2000 continues to cast its shadow over the Ayacucho region to this day. The international team of counsellors Apoyo para la Paz («peace support») is helping people work through this trauma. This is a joint undertaking of GIZ through the Civil Peace Service (CPS) and the Instituto de Estudios Peruanos. The task of the peace experts is to provide advice and training on how to strengthen victims' organisations, erect memorials and

The region at a glance

As the year under review ended, 177 seconded and 1,096 national personnel were working for GIZ in Latin America. A further 185 development advisors*, including 29 Civil Peace Service experts, were also employed in Bolivia, Guatemala and Peru. The Centre for International Migration and Development (CIM) places experts with local employers. In 2011 a total of 124 integrated experts were employed directly by organisations or companies in the region, and 33 returning experts were receiving financial support and advice from CIM.

GIZ is supporting partners in Latin America on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), as well as other German federal ministries including the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Foreign Office. Our work in the region focuses on climate change, the protection of natural resources and ecosystems, and the strengthening of political participation by indigenous groups (for instance through the PROINDIGENA programme).

To promote sustainable development, GIZ cooperates with the private sector in Latin America, to initiate joint projects. GIZ International Services (GIZ IS) also operates in the region. In Costa Rica, for instance, GIZ IS is advising the Ministry of Public Works and Transport (MOPT) on improving the country's infrastructure. A total of 11 seconded and 34 national staff members were employed by GIZ IS at year-end.

(Figures as at 31 December 2011)

* not including junior development advisors and development advisors undergoing preparatory courses inside Germany

initiate projects that help people come to grips with the past, and involve young people. The specific approach of Apoyo para la Paz, with its combination of local personnel and trained peace experts, has won people's trust. And this is making itself felt. A »green table« is now held at which new projects are designed and new initiatives established together with governmental and non-governmental actors – one further step toward a shared future.

The EU provided additional funds to enable realisation of a component of the Modernisation and Decentralisation Programme, which GIZ is implementing in Ecuador on behalf of BMZ. This has made it possible to assure greater safety and security and improve respect for human rights along the troubled border with Colombia. Indigenous sections of the population are also benefiting. In 14 municipalities

strategies for citizen security have been developed, and a modern youth centre has been set up to prevent crime. An information centre on citizen security is also being established.

Knowing what delivers results

For some actors, assessing and substantiating the results of their own work remains a major challenge. The Costa Rican Ministry of National Planning and Economic Policy therefore wishes to establish evaluation resources at the local, regional and national levels, and strengthen its own role as a professional training platform for Central America. With the global Evaluation Capacity Development Programme, BMZ is entering uncharted territory. In Costa Rica the GIZ-implemented programme is now supporting the Costa Rican Ministry of National Planning and Economic Policy in developing evalua-

tion capacities. Through training, partly in cooperation with the University of Costa Rica, professionals in Costa Rica and in other Central American states are being equipped with the skills they need to perform evaluation services.



SUSTAINABLE
ENERGY
SUPPLY

IMPROVED
DRINKING WATER
QUALITY

PEACEFUL
CONFLICT
RESOLUTION

MORE THAN
100 DEVELOPMENT
PARTNERSHIPS
WITH THE
PRIVATE SECTOR

SUSTAINABLE
DEVELOPMENT

FIGHTING THE
IMPACTS OF
DROUGHT

Continent of opportunities

Sub-Saharan Africa

SUB-SAHARAN AFRICA IS A REGION OF CONTRASTS. HEALTHY MACROECONOMIC PERFORMANCE AND A SPIRIT OF OPTIMISM ON ONE HAND, A SHORTAGE OF SCHOOLS, ROADS, HOSPITALS AND POWER ON THE OTHER. THIS CONTINENT OF OPPORTUNITIES REQUIRES BROAD ENGAGEMENT ACROSS MANY AREAS TO ENABLE IT TO RESPOND EFFECTIVELY TO THE CHALLENGES OF THE FUTURE. THE PRIORITIES INCLUDE IMPROVING THE LONG-TERM SITUATION IN EAST AFRICA IN THE WAKE OF DROUGHT AND THE FOOD CRISIS AND PROVIDING PEOPLE WITH A SUSTAINABLE ENERGY SUPPLY. GIZ'S DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE-SECTOR PLAYERS SAP AND MTN, THE CONTINENT'S LEADING MOBILE COMMUNICATIONS PROVIDER BASED IN SOUTH AFRICA, ALSO DEMONSTRATE THAT ISSUES FOR THE FUTURE SUCH AS TRANSPARENCY AND ENVIRONMENTAL PROTECTION ARE VERY HIGH ON THE AGENDA.

Increasing resilience to drought, improving health systems

In response to the drought in the Horn of Africa, the German Federal Ministry for Economic Cooperation and Development (BMZ) made an additional EUR 20 million available as special funds in 2011. In cooperation with partner governments and international aid organisations it was then possible to replenish the decimated livestock herds in Kenya and Ethiopia. Together with the population, wells, retention basins and dams were built to improve water storage and availability. In return for working on these construction measures the people received food and a small

wage. With GIZ support, health services in Kenya provided people with hygiene kits, food and medical aid. Parallel staff training measures have improved the overall performance of the health sector – which was partly why diseases and epidemics did not spread.

Preventing hunger in the future is one of the aims of a totally different project in the Kenyan capital, Nairobi. How can crop pests be systematically suppressed in order to prevent famine, and how can the transmission of insect-borne diseases be controlled so as to protect human health? The International Centre of Insect Physiology

and Ecology (ICIPE) Africa, based in Nairobi, is seeking solutions to these problems. The team of researchers has been reinforced with a bioinformatics expert and an insect specialist, both placed by the Centre for International Migration and Development (CIM). ICIPE is one of 15 international agricultural research centres that are making knowledge on agriculture and the world's ecosystems accessible, under the aegis of the Consultative Group on International Agricultural Research (CGIAR). Through BMZ, Germany has been making funds for development-related agricultural research available to CGIAR for decades. Most of this is delivered through GIZ's

Advisory Service on Agricultural Research for Development (BEAF) and CIM. Since 2004, BEAF and CIM have been cooperating closely to place German experts at the international research centres.

In Rwanda, efforts are under way to improve the entire health system. In a joint programme on BMZ's behalf, GIZ and KfW are therefore supporting the country's lead executing agency at central govern-



Tanzania: Successful health sector reform requires well-trained specialists. This is why regional health resource centres are providing training. A Master of Public Health course is being run to train district medical officers.

ment level with the needed reforms and national strategies. At the district level, development advisors provided by GIZ are training health facility personnel, and developing campaigns to raise popular awareness of issues concerning sexuality and family planning. The advice and support provided are now delivering results. Today, 92% of Rwanda's population have health insurance.

Into the future with sustainable energy

Without a reliable and adequate energy supply it will be very difficult to achieve sustainable development. The multi-donor initiative Energising Development has set itself the task of supplying people with sustainable and affordable energy. The Dutch Ministry of Foreign Affairs, BMZ and the Norwegian Ministry of Foreign Affairs have joined forces to form this energy partnership. GIZ is responsible for implementation. The focus is on sub-Saharan Africa, where almost two thirds of the population have no access to electricity. Between 2005 and 2011 the initiative supplied around eight million people and more than 30,000 schools, hospitals and community centres, as well as small and medium-sized enterprises, cooperatives and artisanal businesses, with sustainable energy. To achieve this, Energising Development works closely with local authorities, civil society organisations and private sector actors. It supports manufacturers producing efficient stoves, and trains distributors in the procurement and distribution of solar modules.

Supplying sub-Saharan Africa with sustainable energy is one task. Dealing with its environmental impacts – the electrical waste – is another. On BMZ's behalf, GIZ and one of Africa's leading mobile communications providers, the South Africa-based MTN Group, have therefore entered into a development partnership. Working in pilot projects, the partners aim to establish a system that meets international standards for recycling mobile telephones, while at the same time creating new jobs. A further aim is to make businesses and the general public more aware of the need to manage electrical waste sustainably.



Chad: A development advisor in conversation with journalists at the Maison des Médias du Tchad. This facility has become a centre for journalists to meet, compare notes and undergo training.

A different goal was pursued by the development partnership between the software company SAP and GIZ: greater transparency in the extractive industries. To be more precise, this means better conditions for both investors and the local community, and the possibility to take action against corruption and monitor the whereabouts of monies. In the context of the Extractive Industries Transparency Initiative (EITI), on BMZ's behalf GIZ supported Ghana's national EITI Secretariat in introducing special software to manage and document payment flows in the extractive sector. EITI, a voluntary association of governments, the private sector and civil society, aims to help ensure that revenues from the extractive industries are channelled transparently into the treasuries of developing countries, and then used for sustainable development.

Transparency is also a key issue in public investment. In Cameroon, a GIZ development advisor is therefore supporting civil society organisations in tracking budgets.

Civil society organisations had discovered that funds earmarked under a public investment scheme for the construction of school buildings had been embezzled in many cases. Public awareness-raising work is now generating increased pressure on the government to ensure greater transparency and demonstrate accountability.

»Made in Africa«

On behalf of BMZ, and with cofinancing from the Bill & Melinda Gates Foundation, the World Cocoa Foundation and DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH), GIZ is involved in no less than three initiatives that aim to increase producer income for cashew nuts, cocoa and cotton »made in Africa«. To this end, in nine African countries we are supporting the optimisation of production and delivery chains extending right to the consumer. More than 650,000 small farmers have now received training in how to improve their cultivation methods and the quality of their produce, and

increase their competitiveness and business acumen. As a result, they have raised their incomes significantly, and can for the first time cope well with the food shortages they are up against every year. If we take into account the average size of an African household, then more than 4.5 million people have already profited from the initiatives. All three initiatives are cooperating with large international private enterprises including Kraft Foods, Intersnack, Olam, C&A, Tchibo and SAP, as well as local actors and non-governmental organisations, in order to link up African producers and processors with the global market.

In South Sudan, GIZ International Services is currently implementing a project that emerged from a community-based initiative, and is designed to provide 17,000 people with safe drinking water. In the battle against sickness caused by diarrhoea and tuberculosis, the local community seized the initiative to improve the quality of drinking water. They collected

donations to the tune of around USD 300,000, and approached GIZ IS with a request to design a water supply system for them. GIZ IS responded by liaising with the South Sudanese Ministry of Water Resources and Irrigation and the World Bank, which finally pledged a further USD 1.5 million for the project.

Transforming conflicts

In Côte d'Ivoire, on behalf of the Federal Foreign Office GIZ is supporting the National Commission to Fight Against the Proliferation and Illicit Traffic of Small Arms and Light Weapons. Activities involve collecting illegally kept small arms

and light weapons in communities, ensuring that they are stored safely, introducing a weapons register and raising popular awareness of the associated problems.

Cooperation with the police, the army and the legal apparatus is also being promoted. The Civil Peace Service (CPS) aims to resolve conflicts peacefully, strengthen the civilian elements within society and make possible sustainable development that is founded on human rights. To implement these ideas, CPS promotes governmental and civil society actors. In the wake of violent conflict within a country, what becomes of the victims, the internally displaced, the emotionally traumatised, the

war widows and orphans, and the former child soldiers? At UNICEF Burundi, a CPS expert assigned by GIZ is working on BMZ's behalf to help establish professional support for those affected, and improve the training of psychosocial experts. This is underpinning the process of reconciliation and violence prevention in Burundi.

In Ethiopia, CPS experts are promoting dialogue between the parties to the conflict within the various ethnic groups, and between the government and civil society. They are advising and networking local, regional and national actors. In this way, lessons learned in the context of local conflict transformation are being success-



Kenya: On BMZ's behalf, GIZ is training women's groups in western Kenya in financial management and marketing. Development advisors are also supporting the training programmes.

The region at a glance

As 2011 drew to a close, 591 seconded and 4,694 national personnel were working for GIZ in sub-Saharan Africa. A further 476 development advisors*, including 39 Civil Peace Service experts, were also employed in the region. The Centre for International Migration and Development (CIM) places experts with local employers. In 2011 a total of 119 integrated experts were employed directly by organisations or companies in the region, and 112 returning experts were receiving financial support and advice from CIM.

At present GIZ is supporting partners in sub-Saharan Africa on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), as well as other German federal ministries including the Federal Foreign Office, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Ministry of Food, Agriculture and Consumer Protection. GIZ International Services (GIZ IS) also operates in the region.

For South Sudan, a water system was designed to improve drinking water quality. GIZ IS also implemented projects in Ethiopia, Tanzania, Burundi, Namibia and Ghana, mostly on behalf of the EU and the United Nations. A total of 37 seconded and 614 national staff members were employed by GIZ IS at year-end. In 2011, private companies were involved in more than 100 development partnerships. (Figures as at 31 December 2011)

* not including junior development advisors and development advisors undergoing preparatory courses inside Germany



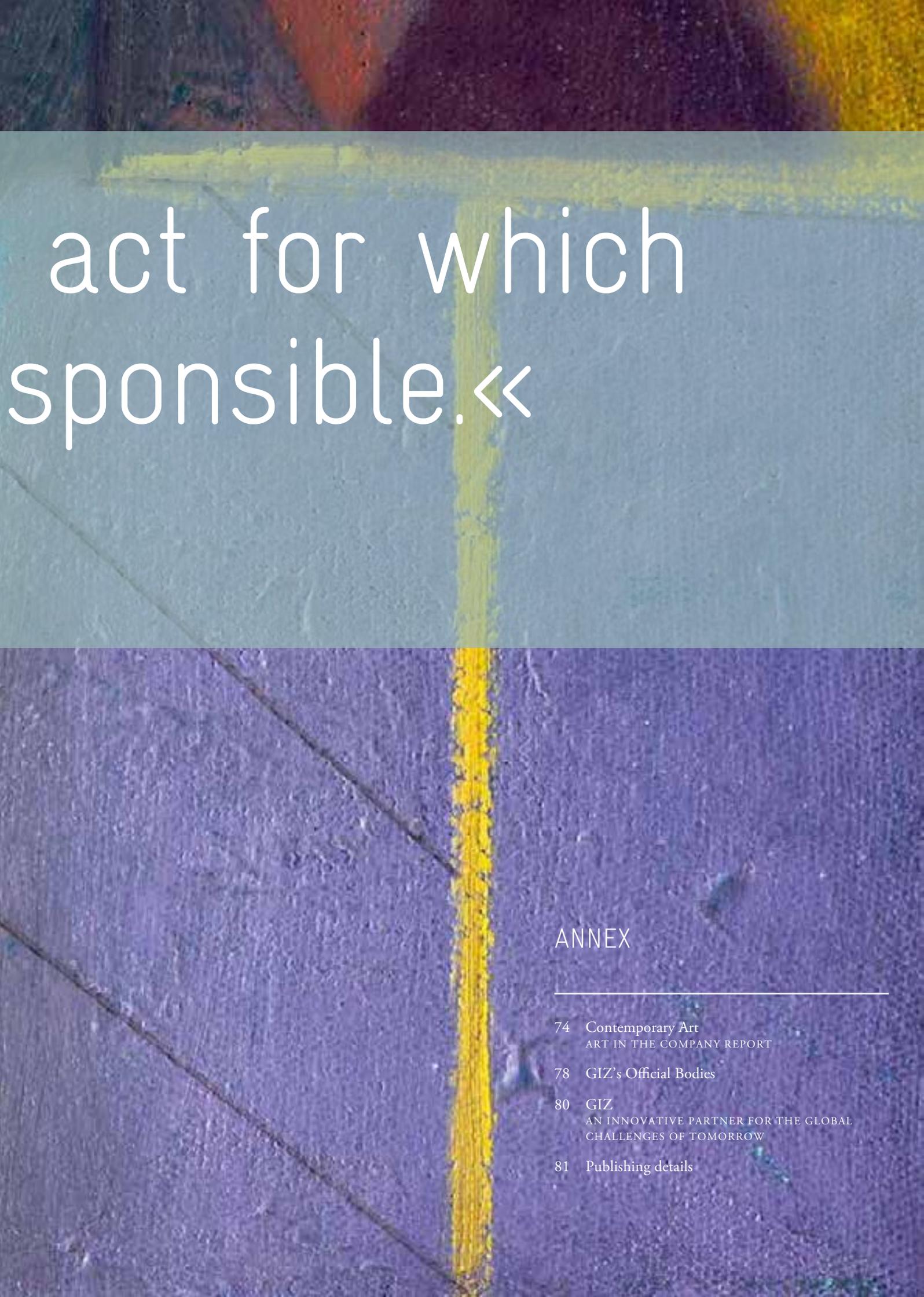
fully leveraged at the regional and national policy-making level, where they are being assimilated into a national peace architecture for Ethiopia. One key instrument for conflict transformation is mediation. The CPS is therefore promoting training in mediation in which participants from the media, the church, parliament and the government, as well as elders and traditional leaders, have jointly developed a method of mediation that is appropriate to the Ethiopian context. This combines traditional forms of community-based conflict transformation with modern forms of mediation.



5

Otto von Bismarck (1815–1898), Prusso-German statesman

»There is no
nobody is re

The background is an abstract composition. A prominent vertical stripe of bright yellow runs down the center. The upper portion of the image is a light, dusty blue-grey, while the lower portion is a deep, textured purple. Diagonal lines in a dark, muted green or black color cross the scene, creating a sense of depth and movement. The overall texture is grainy and painterly.

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sponsible.«

ANNEX

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AN INNOVATIVE PARTNER FOR THE GLOBAL
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Contemporary Art

Art in the Company Report

GIZ'S ART COLLECTION ENCOMPASSES OVER 170 CONTEMPORARY PAINTINGS, PRINTS, DRAWINGS AND SCULPTURES BY SOME 90 ARTISTS FROM AFRICA, CENTRAL AND SOUTH AMERICA, ASIA, AND EASTERN EUROPE AND ITS NEIGHBOURING COUNTRIES.

One of our predecessor companies, namely GTZ, acquired the first works of art in the mid-1990s. One reason for starting the collection was to showcase the cultural diversity of the countries where GIZ operates. The pictures hang in various places in our office buildings in Eschborn near Frankfurt am Main, and in most cases are publicly accessible. In the future, part of the collection will also be housed at our registered office in Bonn.

Since the mid-1990s we have also been holding a large annual art exhibition on our Eschborn premises, displaying contemporary works produced by artists from around the world. These exhibitions are designed to encourage visitors to experience the regions presented for themselves, with the senses. Through its commitment to the arts, GIZ demonstrates the responsibility it feels to understand things from an intercultural perspective. The exhibitions offer insights into other cultures, stimulate discussion, and allow us to engage with the artists. Often they are also a forum for the artists to unveil their works for the first time to an audience outside their home country. Each exhibition is organised around a region or a theme, and refers to areas where GIZ works (e.g. »The unfettered gaze – Art from Africa«, 2003/04; »New vistas – Art for today from Eastern Europe«, 2005/06; or most recently »Looking Eastward – Art from Eastern Europe, Central Asia and the Caucasus«, 2011/12). Or it echoes a theme that is part of GIZ's everyday activities, such as »Cityscapes« (2005) or »Images for nature« (2007/08). During the exhibitions the works are for sale and afterwards some are bought for GIZ's collection. The proceeds always go to the artists, in their entirety.

The role of cultural factors in determining the success or otherwise of sustainable development should not be underestimated. Dialogue through art nurtures understanding, and an interest in other ways of life – which is the basis of the intercultural work that GIZ has been performing for over 30 years.



»Landscape«, acrylic on canvas, 90 × 100 cm



Untitled, acrylic, oil on canvas, 195 × 130 cm



Dereje Demissie

Ethiopia

1980: born in Addis Ababa, Ethiopia. 1998 to 2002: studied at the University of Fine Arts and Design, Addis Ababa, Ethiopia. 2003 to 2005: taught art at the M.A.T.T. Fine Art School, Addis Ababa, Ethiopia. 2006: took part in the Workshop for Confidence Building and Stakeholder Involvement Project in Kampala, Uganda. Lives and works as a freelance artist in Addis Ababa, Ethiopia.

In his painting, Dereje Demissie engages with nature and the environment. He has designed posters and illustrations for various water projects, for instance. His images display abstract, eye-catching forms that need water to maintain their present state of existence.

Cover



Andrey Bobb

Kazakhstan

1975: born in Almaty, Kazakhstan. 1993 to 1998: studied art at the University of Almaty, Kazakhstan. 1996: moved to Germany. 1999 to 2007: studied at the University of Art and Design at Burg Giebichenstein in Halle (Saale), specialising in painting. 2007: graduated with a diploma. Lives and works as a freelance artist in Halle (Saale), Germany.

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Untitled, mixed media on paper, 100 × 70 cm



»Mood in blue«, mixed media on paper, 93 × 84 cm



Angelina Bobb

Kazakhstan

1975: born in Almaty, Kazakhstan. 1993 to 1998: studied art at the University of Almaty, Kazakhstan. 1996: moved to Germany. 1999 to 2008: studied at the University of Art and Design at Burg Giebichenstein in Halle (Saale), specialising in painting. Graduated with a diploma in the fine arts after studying painting/graphic design. Lives and works as a freelance artist in Halle (Saale), Germany.

When they came to Germany, Angelina and Andrey Bobb both brought with them their cultural experiences and the expertise they had acquired at art school in Kazakhstan. They then continued their studies at the renowned University of Art and Design at Burg Giebichenstein. Angelina Bobb puts down on paper and canvas abstract symbols and signs drawn from memory. In his images Andrey Bobb depicts motifs captured when strolling through cities and landscapes.

Pages 10/11



Costa Bernstein

Russia

Born in St Petersburg. At the age of eleven he had his first experiences with art at the Tosno Children's Art School. When the Soviet Union came to an end he attended architectural college in St Petersburg. 1992: emigrated to Israel. Here he continued his art training under Irena Barilev (formerly of the Repin Academy of the Fine Arts in St Petersburg), studying graphic design. 1998: took up work as a freelance graphic designer and illustrator and lecturer in graphic composition at Emek Israel College. At the moment he is living and working as a freelance artist and graphic designer in Frankfurt am Main, Germany. Bernstein's images are reflections on the rapidly changing world. Depending on where he happens to be, he responds in his art to the life philosophies and political attitudes he encounters in different societies. He does so with great empathy, and always accurately captures the realities of life in the settings he depicts.

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»Totem«, oil, mixed media on canvas, 86 × 152 cm



»La Espera«, acrylic on canvas, 80 × 65 cm



Guido Garaycochea

Peru

Born in 1961 in Lima, Peru. 1981 to 1986: studied art at the National School of Fine Arts in Lima, Peru. 1993: visiting lecturer at the Metropolitan University of Educational Sciences, Santiago de Chile, Chile. 1993 to 1995: scholarship holder and research assistant at the Pontifical Catholic University of Chile, graduating with an MA. 1996: lecturer at the Institute of Art Studies, Pontifical Catholic University of Chile. Paints and teaches at the Griffis Art Center in New London, Connecticut, USA. In his images, Guido Garaycochea uses geometric forms and structured arrangements of lines to depict abstract urban landscapes. He uses this poetic artistic vocabulary to illustrate the organising principles of built structures: ground plans, elevations, window openings, entrances and street canyons.

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Wilfredo Palacios

Peru

1962: born in Piura, Peru. 1983 to 1988: studied art at the National School of Fine Arts in Lima, Peru. Since 1999: has taught and worked in the USA (Springfield, Miami, Washington D.C.). Has produced outdoor and indoor murals at prestigious buildings in Peru and the USA. Lives and works as a freelance artist in Lima, Peru. Wilfredo Palacios' complex works are brimming over with bold elements of colour that whisk the viewer away to the silent patios, terraces and salons of old colonial buildings in the Lima of bygone days. To places where the past and the present blend into one.

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Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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Editorial contributions: Nina Kühnel

Design and production: Kerstin Nauth, Sumi Teufel (GIZ)

Artistic consultant: Dr Petra Skiba

Translation: John Cochrane, Lynne Jagau and GIZ Language Services

Design and Layout: Schumacher. Visuelle Kommunikation, www.schumacher-visuell.de

Litho: Andreas Groß

Printed by: Metzger-Druck, Obrigheim, Germany

Printed on: cover cardboard: Arctic Volume 300 g/m², certified to FSC standards

Inside: Arctic Volume 115 g/m², certified to FSC standards

Copy deadline: August 2012

ISSN 1430-9645

Photographs:

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Dirk Ostermeier, Catrin Wolf, Michael Schneider/GIZ

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