

KEY QUESTION

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What are Germany's strategic priorities for development?

Focus on displacement and migration, climate change, agriculture and food security

The Federal Ministry for Economic Cooperation and Development (BMZ) and the Chancellery highlighted three priority areas for the current legislative term (2013-2017): displacement and migration, climate change, and agriculture/food security (see box). The current government identified global health as a priority sector, with a focus on pandemic preparedness, and will hold the first-ever G20 health ministers' meeting. Germany also showed strong leadership by creating the 'Healthy Systems – Healthy Lives' initiative that was launched at the SDG Summit in September 2015, which resulted in a declaration for health system strengthening at the World Health Assembly in Geneva in May 2016.

Beyond health and the traditional focus on the global economy and financial markets, the G20 agenda will also include climate and sustainability, women empowerment, supply chains, and financial inclusion. These focus areas fit the six broad sectors spelled out as priorities in the current government's coalition treaty: 1) rural development, 2) health, 3) gender equality, 4) education and training, 5) resource management and climate protection, and 6) crisis prevention and post-conflict peace building.

Bilateral ODA is preferred; funding for refugees and humanitarian aid is growing

The German government has a strong preference for bilateral aid. Its overarching strategic priorities are partially reflected in the top sectors of bilateral ODA: most funding is directed to hosting refugees in Germany, financial services and business support, education, and energy (see figure). Education is the third-largest sector, yet more than half of this funding represents costs for foreign students studying in Germany ('imputed student costs'). In response to the major influx of refugees to Germany, spending on humanitarian aid and migration has increased since 2015. In 2017, BMZ plans to spend €400 million for programs related to displacement, including humanitarian aid, which is in line with the government's priority areas.

Other core sectors of the Sustainable Development Goals (SDGs), such as health and agriculture and rural develop-

Germany's key development priorities:

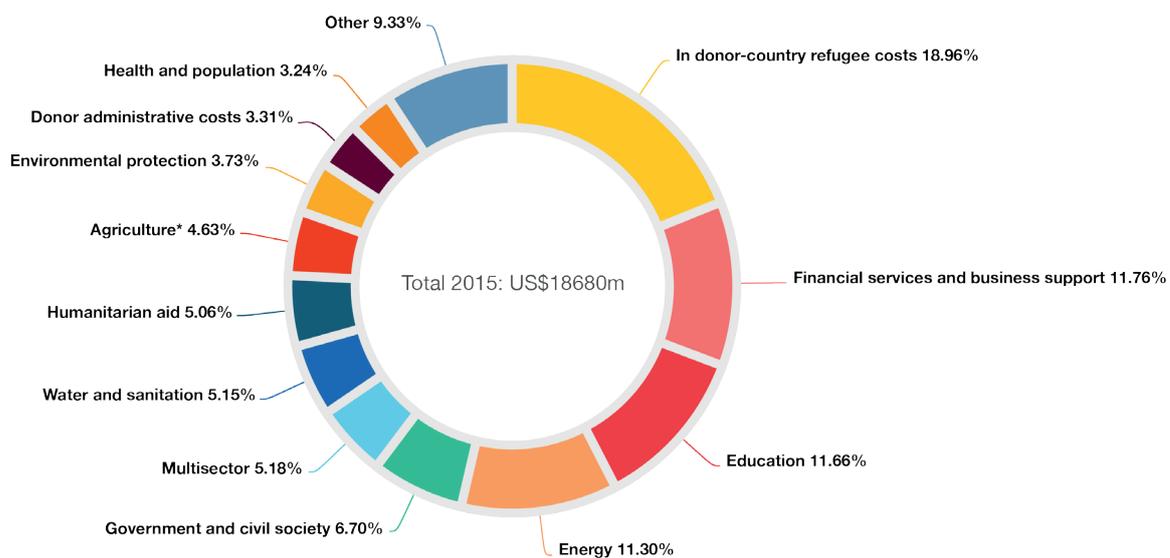
- **Flight and migration:** BMZ to spend €400 million for programs related to displacement, including humanitarian aid
- **Climate change/renewable energy:** Pledge of €750 million to the Green Climate Fund (2015-18)
- **Agriculture and food security:** Investments of over €1 billion per year by 2015, key instrument: Special Initiative 'One World - No Hunger'

ment, receive relatively small shares of bilateral ODA. However, funding for agriculture and rural development is increasing due to Development Minister Müller's priority focus on this sector. Total spending on agriculture and rural development, i.e., funding channeled through bilateral channels and multilateral organizations, amounts to US\$1.1 billion (2015), making Germany the third-largest donor country in this area.

Germany spends around US\$1.1 billion on health per year and is the third-largest donor to global health overall. Germany channeled US\$516 million, or 46% of its total health ODA, through multilateral organizations. Key recipients of multilateral health ODA are the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), and Gavi, the Vaccine Alliance (Gavi).

Germany has made a range of international commitments – the largest ones targeting health, food security, and climate protection. Germany committed US\$1.1 billion (€800 million) for the Global Fund (2017-2019), US\$720 million for Gavi (2016-2020), and US\$260 for the Nutrition for Growth initiative (2013-2020). In addition, Germany aims to double its international climate-related finance by 2020, although a concrete financing plan for reaching this target has not been put forward.

GERMANY'S BILATERAL ODA BY SECTOR



Source: OECD CRS. *Includes agriculture, forestry, fishing, and rural development.