

## KEY QUESTIONS

### the big six

# 4



## Who are the main actors in German development cooperation?

### The Development Ministry steers strategy; two development agencies execute

Germany is governed by a renewed ‘Grand Coalition’ made up of Chancellor Angela Merkel’s center-right Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU), and the center-left Social Democrats (SPD). Under the leadership and overall guidance of the Chancellor, the Federal Ministry for Economic Cooperation and Development (BMZ) sets development priorities. BMZ has been led by Development Minister Gerd Müller (CSU) since 2013.

**BMZ** has 1,100 staff members and is organized across six directorates-general. The regional divisions are responsible for allocation of Germany’s bilateral development assistance in accordance with BMZ’s strategy and priorities. Sectoral divisions formulate Germany’s sector strategies, interface with multilateral development institutions, and advise on bilateral programs.

Programming of bilateral funding to partner countries is guided by regional strategies (‘Regionalkonzepte’), which are developed by BMZ’s regional divisions to set the government’s broad strategic objectives for the region. Country strategies (‘Länderkonzepte’), developed for all priority countries, reflect the regional strategies and are developed by country desk officers in cooperation with embassies, the German Corporation for International Cooperation GmbH (GIZ), and KfW Development Bank (KfW). Bilateral cooperation with countries that are not classified as priority countries is based on the regional strategies. Funding amounts and focus sectors for partner countries can be found in partnership agreements and non-public appendices of the budget.

**The Federal Ministry of Finance (BMF)**, led by Minister Olaf Scholz, develops caps for the federal budget and individual ministerial budgets, which makes it an important stakeholder when it comes to overall ODA levels, BMZ’s budget, and long-term ODA contributions. Other ministries have significant influence on the strategic direction and funding allocation in some development sectors. For example, **the Federal Foreign Office (AA)** leads on humanitarian assistance and crisis prevention and is currently updating and further developing the federal government’s ‘Policy Guidelines for Africa.’ **The Federal Ministry of Health (BMG)**, with the input from other ministries, is currently developing a new, govern-

ment-wide strategy for global health and is responsible for the majority of funding of the World Health Organization (WHO).

Germany’s two major state-owned development agencies, GIZ and KfW, play key roles in Germany’s policy development, priority setting, and implementation. Both operate under the political supervision of BMZ:

- **GIZ** plans and executes Germany’s technical cooperation with partner countries. GIZ’s turnover in 2017 was €2.5 billion (US\$2.8 billion), of which 85% was generated through work commissioned by BMZ (other major commissioning ministries include the AA and the Federal Ministry for the Environment (BMU). GIZ also provides consulting services to BMZ’s sectoral divisions through its ‘sector initiatives’ (‘Sektorvorhaben’). GIZ has around 19,500 permanent staff members across 120 countries, nearly 80% of which are based abroad.
- **KfW Development Bank** leads on Germany’s bilateral financial cooperation with partner countries. In 2017, KfW’s total grants and loans stood at €9.7 billion (US\$10.7 billion). This was an increase of almost €1 billion (US\$1.1 billion) compared to 2016. 40% of this funding increase went to projects in Africa and the Middle East. This amount includes funds raised on capital markets using KfW’s own resources (US\$5.2 billion). In 2017, KfW’s staff count was over 6,100 people. In 2017, KfW’s private-sector branch, the German Investment and Development Corporation (DEG), which has 13 offices in partner countries, invested €1.6 billion (US\$1.8 billion) in private-sector development in low- and middle-income countries.

**Parliament:** The role of the German Parliament (Bundestag) is to scrutinize development policymaking, resource allocation, and implementation, mainly through its Committee on Economic Cooperation and Development (AWZ). The AWZ may also suggest changes to funding allocations in the government’s draft budget. However, it is the Budget Committee which makes final budget decisions and is thus a key stakeholder when it comes to modifying funding allocations.

**Civil Society:** Civil society interacts in several ways with government and Parliament including via petitions and conferences. About 120 development and humanitarian

assistance-related civil society organizations (CSOs) coordinate their activities through the Association of German Development CSOs (VENRO). Another important association is the German Forum on Environment and Development, which coordinates advocacy work for sustainable development and humanitarian assistance.

CSOs are frequently invited to parliamentary hearings and government consultations. Many CSOs implement their own in-country programs and are funded by the German government (mainly by BMZ and the Foreign Office). In 2017, US\$1.5 billion, or 7% of overall bilateral ODA, was channeled through CSOs.

GERMANY'S DEVELOPMENT COOPERATION SYSTEM

