

KEY QUESTIONS

the big six

3

Who are the main actors in German development cooperation?

The Development Ministry steers strategy, two large development agencies execute

Germany is currently governed by a renewed ‘Grand Coalition’ made up of Chancellor Angela Merkel’s conservative Christian Democratic Union (CDU), its Bavarian sister party, the Christian Social Union (CSU), and the 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 will continue to be led by the Development Minister Gerd Müller (CSU) in the new government. Federal elections took place in September 2017, and a new government has been formed in March 2018, leading to changes in the cabinet.

BMZ has 1,025 staff members and is organized across five directorate-generals. The regional divisions are responsible for the allocation of Germany’s bilateral development assistance in accordance with BMZ’s strategy and priorities. Sectoral divisions, for example the education division, formulate Germany’s sector strategies, interface with multilateral development institutions, and advise on bilateral programs.

Other ministries have significant influence on the strategic direction and funding allocation in some development sectors. For example, the Ministry of Health, with the input from other ministries, will develop a new, government-wide strategy for global health in 2018 and is responsible for the funding of the World Health Organization, while the Foreign Ministry leads on humanitarian assistance and crisis prevention.

Germany’s two major state-owned development agencies, GIZ and KfW, play a key role 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 2016 was €2.4 billion (US\$2.7 billion), of which 79% was generated through work commissioned by BMZ. GIZ also provides services to BMZ through its so-called ‘Sector Initiatives’ that cover BMZ’s focus areas. The GIZ has 18,260 permanent staff in 120 countries, nearly 70% of which is domestic staff in partner countries.

- KfW Development Bank leads on Germany’s financial cooperation with partner countries. In 2017, KfW’s total funding volume stood at €8.2 billion (US\$9.1 billion) through grants and loans for projects and programs in more than 100 countries, a large increase of almost €1 billion compared to 2016. This amount includes funds raised on capital markets using its own resources. KfW plays a key role in managing bilateral initiatives on the financing side. For example, it has channeled Germany’s earmarked contributions to Gavi since 2011. In 2016, 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-income countries (LICs) and middle-income countries (MICs). New project funding focused on renewable energies, environmental protection, and flight and migration-related investments.

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, e.g., via petitions and conferences. About 120 development-related civil society organizations (CSOs) coordinate their activities through the Association of German Development NGOs (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 the BMZ and the Federal Foreign Office). In 2016, US\$1.3 billion, or 6% of overall bilateral ODA, was channeled through CSOs. Pullquote: BMZ has 1,025 staff members and is organized across five directorate-generals.

GERMANY'S DEVELOPMENT COOPERATION SYSTEM

