

KEY QUESTIONS

the big six

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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 previous legislative term (2013-2017): displacement and migration, climate change, and agriculture/food security (see box). These priorities will be up for review once a new government is fully operational. Through its G7 and G20 presidencies, Germany has further emphasized global health, climate and sustainability, women empowerment, financial inclusion, and the relationship with the African continent. During the German G20 presidency in 2017, health ministers held their first high-level G20 meeting, with a focus on anti-microbial resistance (AMR) and pandemic preparedness. Discussions around AMR resulted in the planning of a G20 AMR R&D Collaboration Hub, based in Berlin.

These G20 focus areas are well aligned with the broad sectors spelled out as development priorities in the government's 2017-2021 coalition treaty (2017-2021): 1) fair trade, 2) Marshall-Plan with Africa, 3) gender equality and education, 4) social and health systems, 5) poverty eradication, 6) climate change mitigation and adaptation, and 7) fighting the root causes of flight and migration.

Most of additional funding since 2015 was channeled through Germany's 'Special Initiatives'. The Special Initiatives are programs initiated and spearheaded by the Development Minister. In the 2013-2017 legislative period, the initiatives were 'tackling the root causes of displacement, reintegrating refugees', 'stability and development in the MENA region', and 'ONE WORLD – No Hunger'. The German government is further engaged in discussions around a new approach to development in Africa – mainly through the BMZ's 'Marshall Plan with Africa' and the Finance Ministry's G20 initiative 'Compacts with Africa', which are both focused on fostering private investment and good governance in Africa.

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

The German government has a strong preference for bilateral funding. Its overarching strategic priorities are partially reflected in the top sectors of bilateral ODA:

Germany's key development priorities:

- **Flight and migration:** Through Special Initiative 'Tackling root causes of displacement, stabilizing host regions, supporting refugees' - BMZ spends additional €400 million on this issue.
- **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, e.g. through its key instrument: Special Initiative 'One World - No Hunger'.

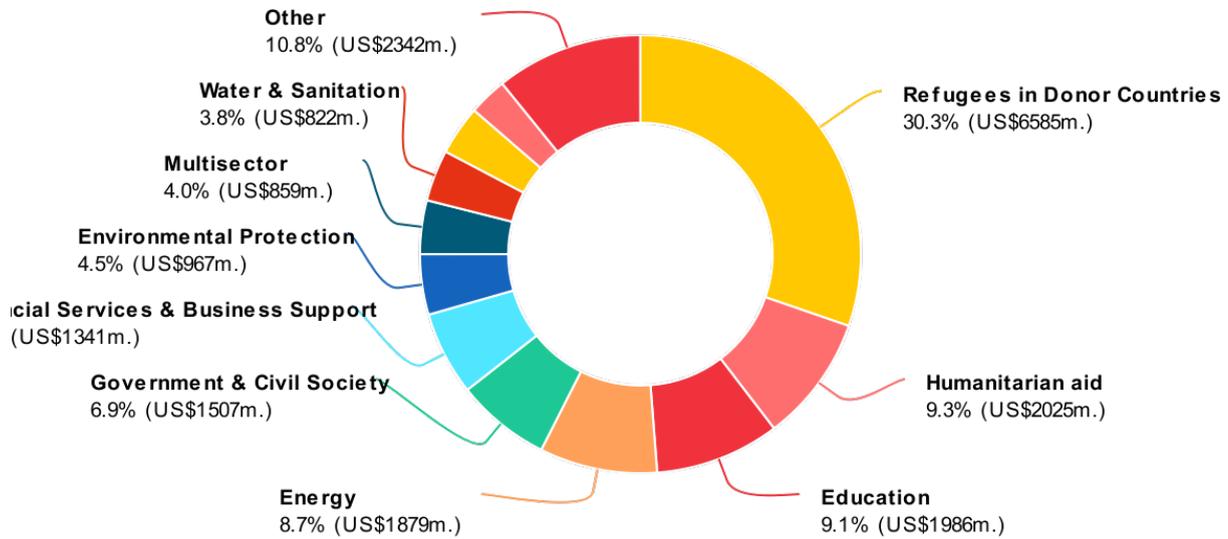
most funding is directed to hosting refugees in Germany (30% in 2016), humanitarian aid (9%), education (9%), and energy (9%). Education is the third-largest sector, yet more than half of this funding represents costs for students from partner countries studying in Germany (so called: 'imputed student costs'). In response to the major influx of refugees to Germany, spending on humanitarian aid and migration has strongly increased since 2015.

Other core sectors for reaching the Sustainable Development Goals (SDGs), such as health (3%) and agriculture and rural development (4%), receive relatively small shares of bilateral ODA. However, funding for both sectors has increased significantly since 2015, and they are also supported through Germany's contributions to multilateral organizations (see the Donor Tracker's sectoral 'deep dives' for Germany).

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, 2016

Total: US\$21,717 million



OECD CRS. Gross disbursements. *Includes agriculture, forestry, fishing, and rural development. In 2016 prices.