

GIZ magazine

akzente

Responsible economic action

Towards a social and ecological economy

OTHER TOPICS

Chad: On the road with the EU election observers

Honduras: How successful emigrants are helping their homeland

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Dorothee Hutter,
Head of Corporate Communications

Dear reader,

Given the impact of climate change and scarcity of natural resources, it is becoming ever more urgent that we establish business and social models that are fit for the future. The orientation of national economies to environmentally friendly patterns of production, trade and consumption is not only a basis for sustainable growth; it can also establish conditions for reducing poverty and promoting prosperity worldwide. But how are we to reconcile resource efficiency and protection of the environment and climate with economic growth? What does it take to solve conflicts of interest between North and South? What innovations are required if we are to improve and sustain quality of life?

Under our Spotlight of the Year 2011, 'Responsible economic action – sustainable development', our aim as GIZ is to explore with our commissioning parties, clients and partners the opportunities and challenges presented by structural change for a sustainable economy – in a whole series of events in Berlin, Bonn, Brussels and Eschborn. It is the role of politics and society to develop innovative solutions to global problems. GIZ is able to contribute its expertise in areas such as alternative energy, innovative environmental and climate protection and sustainable farming. But our services, which we deliver on behalf of the German Government, also include advising governments on the implementation of relevant legislation and cooperating with companies working in the field of environmental standards and Corporate Social Responsibility. We are committed to sustainable and responsible economic action and, together with our partner countries, to developing the basic conditions for a future worth living.

Once again our Spotlight of the Year is a joint initiative with KfW Entwicklungsbank. It provides an opportunity for both companies to illustrate their shared vision of how they can work to benefit their partners and how technical and financial cooperation go hand in hand. The current issue of *akzente* is also devoted entirely to the Spotlight theme. An overview of the many facets of responsible economic action is set out on the 'In focus' pages. And, of course, we will bring you up to date on other exciting developments taking place in and around GIZ.

A handwritten signature in blue ink that reads "Dorothee Hutter". The signature is written in a cursive, flowing style.

Dorothee Hutter



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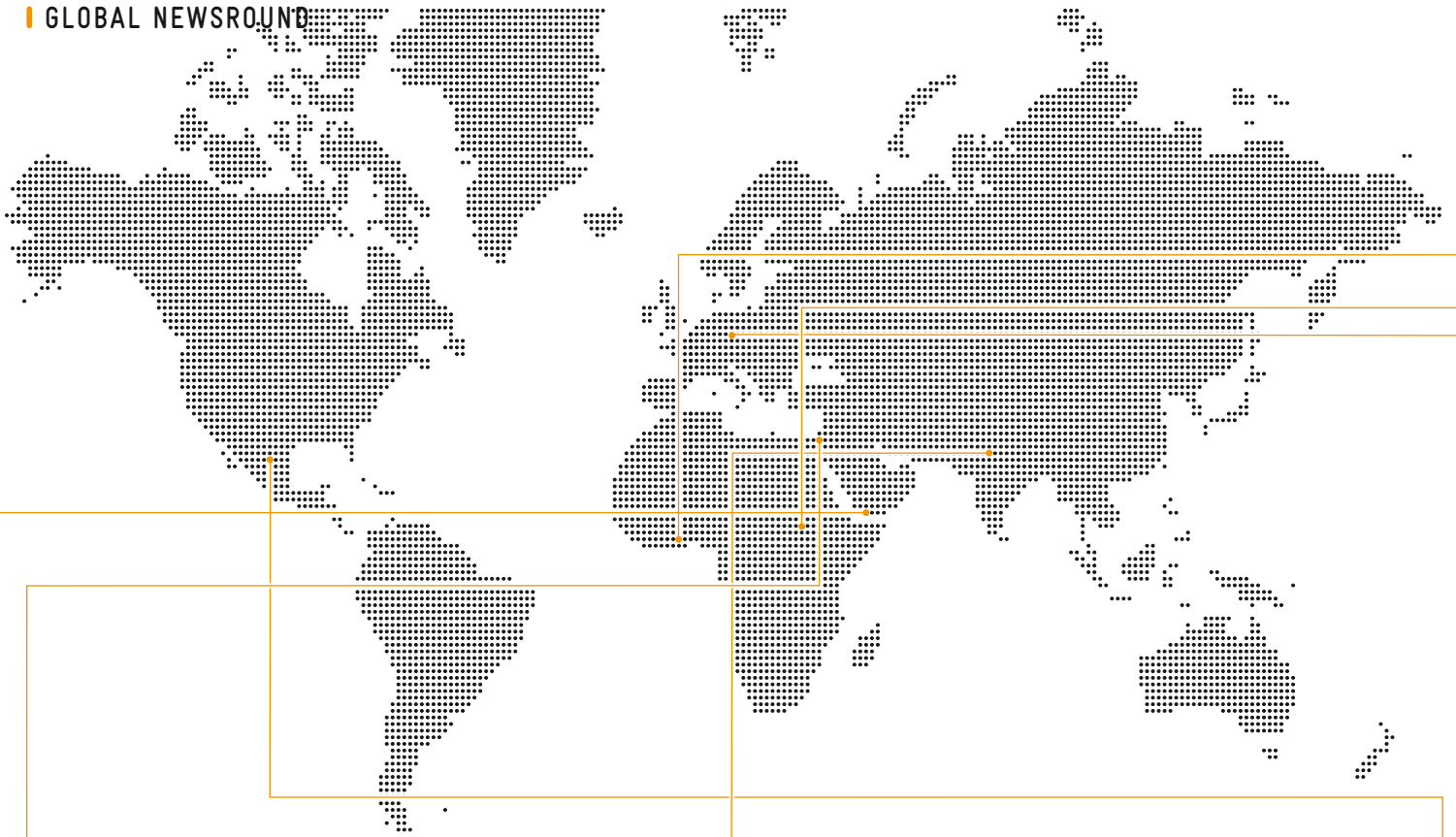
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PALESTINIAN TERRITORIES

GIZ partner receives Olof Palme Prize

The Palestinian psychiatrist Eyad El-Sarraj has been honoured with the Olof Palme Prize for his peace efforts in the Middle East. The 66-year-old has been working on behalf of the Palestinian people for many years. In 2009, El-Sarraj and a group of intellectuals from Gaza founded TIDA, a GIZ partner organisation. TIDA's mission is to bring 'the world to Gaza and Gaza to the world.'



Eyad El-Sarraj

YEMEN

15 new hospitals

In order to combat poverty effectively, the Yemeni Government is improving its health system and initial and continuing vocational training with the support of GIZ International Services. The total contracts, valued at EUR 16.3 million, are being funded by Arab donors. The project volume in the health sector amounts to EUR 7.7 million, and in the education sector to EUR 8.6 million. In concrete terms, this means, for example, that GIZ International Services is to conduct the planning and tendering for hospital buildings, facilitating the construction of up to 15 hospitals throughout Yemen in the years ahead.

INDIA

Sustainable Management in India

How consistently do German companies in India perform in the field of sustainable management? As part of an exchange of experience with Indian subsidiaries of German companies, GIZ AgenZ (Agency for market-oriented concepts) identified success factors for sustainable management in emerging economies. In India, as elsewhere, the most important factor seems to be the extent to which a company's environmental and social commitment is seen as a crucial factor for its long-term economic success. All the companies surveyed claimed to be applying a global corporate quality standard here. In reality, however, there is very little systematic integration of sustainability aspects into core strategic processes. Indeed, only one company actually uses sustainable management systematically throughout all its production and value chains as a means of distinguishing itself from its competitors and securing an advantage in the marketplace. The other companies are more sporadic in their focus on sustainability aspects.

<http://www.agenz.de/eng/1589.html>



German companies in India are still sporadic in their use of sustainable management.

SOUTHERN SUDAN

A visit from George Clooney

Hollywood star George Clooney travelled to Southern Sudan to act as an election observer for the referendum on independence held in January. He helped scrutinise the referendum procedure in Juba, along with GIZ advisor Friedemann Gille and Liberata Mulamula, Executive Secretary of the International Conference on the Great Lakes Region (ICGLR). Since 2008, GIZ has been supporting a regional initiative to combat violent clashes sparked by the illegal trade in raw materials such as gold and coltan. Mulamula and her team were invited to attend as election observers on account of their efforts to find peaceful solutions. Clooney has been supporting the people of Southern Sudan for some years.



George Clooney (centre) travelled to Southern Sudan as an election observer.

MEXICO

55-hectare park for Mexico City

Mexico City is a megacity with over 20 million inhabitants – and with environmental problems to match. Green spaces and local recreation areas are in short supply. Inaugurated in 2010, 'Parque Bicentenario' represents a glimmer of hope. With an area of 55 hectares, it is currently the city's biggest park. But it is no ordinary green space, for what today inspires rest and relaxation was once the 'March 18' oil refinery. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ advised Mexico's Secretariat for the Environment and Natural Resources and the oil company PEMEX on a strategy for rehabilitation, revitalisation and various possibilities for recultivating the former brownfield site.

GHANA

Training for small farmers

On 26 January, Melinda Gates visited the Farmer Business School in Sawia, Ghana, which until early 2010 was supported by GTZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The wife of Microsoft founder Bill Gates was there to learn about business management training for small farmers. The school is part of GIZ's 'Sustainable Cocoa Economy' project, which is cofinanced by the World Cocoa Foundation with funds from the Bill and Melinda Gates Foundation. Around 70% of the world's cocoa is produced by small farmers in West Africa. Often, however, they lack the knowledge to increase their revenues. Since March 2010, over 10,000 farmers, both male and female, have attended the Farmer Business Schools. It is hoped the initiative will have reached 50,000 people across the four countries by 2011.



Melinda Gates in Sawia (Ghana).

GERMANY

Afghanistan at Green Week

'Afghanistan – a wonderful discovery' was the slogan under which the Central Asian country made its debut at International Green Week, opened by Trade Minister Dr Anwar Ul Haq Ahady. 'Most visitors to the international exhibition were taken aback at how colourful and diverse Afghanistan is,' said Leila Popal, who works as an integrated expert for the Centre for International Migration and Development (CIM) in Afghanistan. 'Some decades ago, Afghanistan was a major exporter of dried fruits and other products. Now it is once again looking to tap into international markets.' GIZ advised Afghan exhibitors on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

CHAD GOES TO THE POLLS

How do you carry out an election observation mission in a country such as Chad? akzente journalist Philipp Hedemann accompanied the EU's election observers during the country's parliamentary elections.

Text Philipp Hedemann



Douglas Tefnin stares intently at two giant screens, watching a green spot as it moves slowly from left to right along a dotted line. The green spot represents a cross-country vehicle, the dotted line a desert track in southern Chad. The vehicle is carrying a Dutchman and an Irish woman, who have been sent on behalf of the European Commission to observe the parliamentary elections on 13 February in the former French colony, today one of the world's poorest countries. The French company GEOS and GIZ have been contracted by the European Commission as part of a consortium to ensure that – in a country three and a half times the size of Germany yet with just 600 kilometres of asphalted roads – the operation passes off smoothly.

'Everything's running like clockwork. No incidents at all so far,' beams Douglas Tefnin. The bright-eyed 55-year-old has been involved in more dangerous missions. As a colonel in the Belgian army, he has seen serv-

ice in Somalia and Afghanistan, and came to Chad in 2008 as part of a European Union peacekeeping force. 'In those days there was still brutal fighting between government forces and insurgents; it was a very dangerous country,' says the former soldier, who now works for GEOS. But even today parts of Chad remain unsafe. Tefnin is resigned to the fact. 'I'm responsible for the security of all election observers. Certain roads and the regions bordering Sudan and the Central African Republic are no-go areas for our people,' the security expert explains.

He is a member of the election observation mission, which has completely taken over floor 5B of a large hotel in the Chadian capital N'Djamena. The corridor has been turned into a veritable assault course, cluttered with printers, photocopiers and additional telephone and internet cables bound with duct tape. Room 520, at the very back of the hotel, is where Eric Vandromme has set up his temporary office. There is now a desk where »



'The election observation mission went off without incident.'

Douglas Tefnin, the mission's head of security

» INTERVIEW

'STABILISING THE WHOLE REGION'



Louis Michel was EU Commissioner for Development and Humanitarian Aid from 2004 to 2009. Today he is a Member of the European Parliament.

The interview took place on 13 February 2011, election day in the Republic of Chad, where Michel was present as the EU's chief election observer.

Why is the EU sending election observers to Chad?

Our mission can help support Chad during its process of democratisation and in so doing exert a stabilising influence across the entire region. It is the EU's moral and political duty to support this process. The fact that Chad has invited us at all demonstrates that the country is open to democracy.

Many organisations send election observers. What is special about the EU missions?

As a result of our particular methodology and many years of experience in election observation missions, if we deem an election to be free, fair and democratic that goes some way to ensuring that that election can be considered legitimate.

The competition for natural resources is intensifying. Does that mean promoting democracy has run its course?

If promoting democracy had already run its course, the EU wouldn't be investing so much money in support for democratic processes around the world. And our support is global – regardless of whether the country has mineral resources or not.

Is Africa becoming more democratic?

Without doubt. Africa is heading in the right direction. The road is long, but we are seeing progress. I am convinced that globalisation and new communication possibilities will further reinforce this trend.

Interview: Philipp Hedemann



Around 60% of the electorate cast a vote on 13 February 2011. For the first time since 2002, voters were once again able to express their support for candidates from opposition parties. EU electoral observers were in attendance – even in remote regions.

the bed would normally be, with two laptops, a telephone and two mobile phones. This is where the French GIZ project leader coordinates Mission Chad 2011.

At least one of his telephones is always ringing, sometimes all three at once. ‘This mission is a real challenge,’ says Vandromme, who has previously provided local logistics support for election observation missions on behalf of the GIZ consortium in Lebanon, Ethiopia and Côte d’Ivoire. ‘I’ve never been in a country where everything is so slow.’ Yet despite sluggish internet connections, rarely observed delivery dates and repeated equipment supply shortages, he can claim a minor victory: in a country with no proper car hire and at an airport with more UN aircraft than commercial planes, he has successfully chartered 43 cars, two minibuses, a coach and three aeroplanes, and procured 57 laptops, 90 mobile phones and 62 satellite phones. By the end of the mission, which has a budget of €4.8 million, his election observers will have visited nearly 600 polling stations in 18 regions and 37 départements.

At the invitation of the Chadian Government, the first experts arrived in N’Djamena in late November 2010. For the role of the election observation mission is not simply to monitor the opening of polling stations, the voting procedure, the counting of votes and transfer of results from individual regions to the National

Electoral Commission in the capital. Long before polling day, the experts also scrutinise the registration of candidates and voters, the electoral campaign and media reporting. And even after the ballot boxes are closed the mission is



‘The inadequate infrastructure has left us facing enormous challenges.’

Eric Vandromme, GIZ project manager, Chad 2011

far from over for the observers representing the EU member states, Switzerland and Norway. The experts also keep a close eye on the announcement of provisional and official results, as well as the reactions of voters and parties. Only three weeks after the polls have closed can the last member of the EU mission leave the country. And most of the 90-strong mission team will have to make do with a minimal level of comfort until then, since Chad is a country with few hotels.

Chad is a challenging country in a number of ways: on the Human Development Index this country in Central Africa is ranked 163 out of 169; and on the Transparency International Corruption Index, Chad comes 171st out of 178. One in five children never reaches its fifth birthday and the average life expectancy is 49.2 years. Over one third of the population suffers from malnutrition. Less than one third of adults can read and write. Over half of all children are obliged to work. With cholera and malaria claiming tens of thousands of lives each year, there is just one doctor for every 50,000 people. The east of the country has had to accommodate at least 250,000 refugees from the Sudanese civil war in the neighbouring Darfur region.

‘The inadequate infrastructure has left us facing enormous challenges. The excellent contacts and years of experience of GIZ staff

from other German projects in Chad were a great help in our preparations. Some of the desert tracks were so deep in sand that we could not rule out the possibility of getting stranded. That's why we equipped the vehicles with sand ladders. The election observers have several days' rations and camping gear on board. Let's hope they don't need them,' says Vandromme.

Louis Michel needs neither sand ladders nor army survival rations. The MEP and former EU Development Commissioner is the mission's chief observer in Chad. In order to visit as many polling stations as possible, he gets around this country of desert tracks in one of Vandromme's chartered aircraft. At 8:06 am his plane lands in a swirl of red dust at Moundou, Chad's second-largest city in the south of the country. Michel is here to visit a school housing no fewer than nine polling stations. In spite of the heat, the men and women wait patiently in line on the dusty schoolyard to cast their vote. 'I get the impression the elections are passing off peacefully. Up to now we've come across no trouble at all,' says Michel. 'The people are happy they are able to vote.' Wolfgang von Schmettau is also satisfied. 'Today's peaceful election comes after a fair election campaign,' says the economist. The 65-year-old has been part of 18 election observation missions in the last six years – no one in the Chad mission has more experience than him.

The European Commission also sets store by the extensive experience and competence of the mission team when it is in the process of setting up an election observation. 'There can be as many as five candidates competing for the bid when the tender is announced by the European Commission,' says Eleni Andrikopoulou. She has been responsible for EU election observation missions at the Brussels Office of GIZ International Services for more than three years and has already accompanied GIZ assignments on behalf of the EU in Angola, Lebanon, Ethiopia, Côte d'Ivoire and Niger. Now she has come to Chad to provide support for her people in the field. In Eric Vandromme's improvised office she has set up a hotel table as a desk, opened up her laptop, visited polling

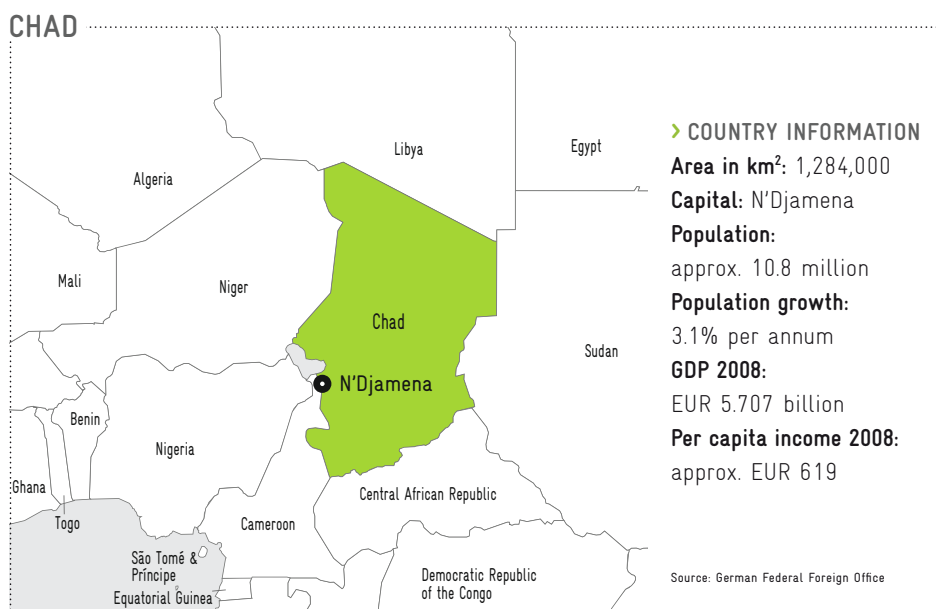
stations. At the same time she is already planning the next mission.

It is important that the EU is having these elections in Chad observed, since in previous elections the opposition and international observers complained of irregularities. In protest at this the opposition had not put up an election candidate since 2002. Although the government and opposition parties then signed an agreement on domestic dialogue and electoral reform in August 2007, thereby bringing the country's political forces to the negotiating table and paving the way for the February 2011

elections, it was nevertheless important to have international observers present on polling day. Meanwhile, security chief Tefnin continues to monitor the dots on his screens. In the operations room of his Emergency Security Unit everything is running to plan. 'Every vehicle is equipped with an alarm,' says Tefnin. 'So far no one has needed to activate it. Let's hope it stays that way.' ■

► CONTACT

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AT A GLANCE

- Election observation missions
- Commissioned by: European Commission

The European Commission sends election observers to Asia, Africa and Latin America to support democratic elections. A condition for this is an official invitation from the country in which the elections are being held. GIZ is a contract partner of the European Commission and organises logistical implementation at local level. A partner company of GIZ is responsible for ensuring the security of the team of up to 200 observers, experts and technicians deployed as mission members in the election country. A particular feature of the European Commission missions is that in addition to analysing polling day circumstances, they also scrutinise the electoral campaign and reports in the media. The chief election observer is generally a Member of the European Parliament. The GIZ consortium has already conducted observation missions in Angola, Lebanon, Ethiopia, Côte d'Ivoire, Niger and the Republic of Chad.





RESPONSIBLE ECONOMIC ACTION

**THEMES IN THIS
PRIORITY AREA**

IN FOCUS: The Big Rethink: Towards a social and ecological economy

OVERVIEW: Examples of GIZ projects

INTERVIEW WITH: Federal Minister Dirk Niebel

IN FIGURES: Costs and benefits of various economic models

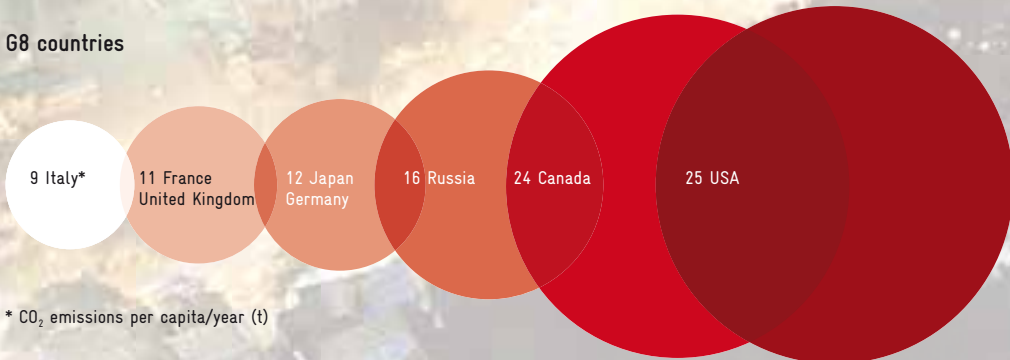
BOOM TOWN MUMBAI: India aims to become an economic superpower in the coming decades. In order to make this process as sustainable as possible, the Indian Government has launched a programme to promote alternative energies and energy efficiency.



THE MAJOR CO₂ EMITTERS

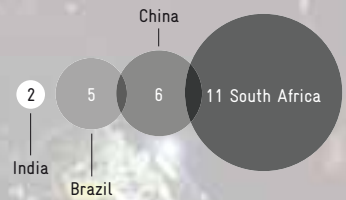
The G8 countries' per capita emissions are much higher than those produced by the major emerging economies.

G8 countries



* CO₂ emissions per capita/year (t)

Emerging economies



Source: WWF/Allianz 2009

The Big Rethink

If we are to achieve a sustainable economy, policy-makers, business and civil society need to pull together. More and more countries – in the North and in the South – are facing up to the challenge.

Text Karin Vogelsberg **Illustrations** Mira Gatermann and Sabine Schiemann

In late 2010, Roland Tichy, editor-in-chief of *Wirtschaftswoche*, wrote in an editorial: 'In the 1960s, it was the Apollo space programme that fired people's imaginations. Later, it was the internet. Today, sustainability issues are the stuff that dreams are made of. We may not have a green economy yet – but green has long been the colour of our utopian visions.'

Is a social and ecological economy still only a vision? After all, there are already precise ideas of what it can achieve, especially in terms of its contribution to making the Millennium Development Goals (MDGs) a reality. According to the working definition developed by the United Nations Environment Programme (UNEP), the 'green economy' is a holistic system of economic activities that encompasses business, politics, society and the environment. Good governance is a prerequisite for a 'green economy', because the state must create conditions and incentives for an economic model that is compatible with social and environmental interests. The 'green economy' also requires a change in production and consumption patterns. In a 'green economy', fair trade relations are established, waste and pollution are reduced, and resource efficiency is increased. The 'green economy' is intended to combat poverty and promote equitable living conditions, while also creating decent jobs.

At first sight, this would not appear to be a new approach. Germany's international cooperation agenda has long been guided by the vision of a social and ecological market economy. However, the term 'green economy' is not just a new name for sustainability. Rather, it is an instrument that generates new impetus for sustainable development. It promotes and accelerates the transition to sustainability and

gives it more tangible form.

What action can be taken to build a social and ecological economy? This question has been the focus of attention for countries, transnational alliances and international organisations for some years. In 2008, for example, UNEP launched the Global Green New Deal (GGND) with the aim of stimulating the world economy and supporting the transition towards sustainability in the wake of the financial and economic crisis while also creating fresh impetus for development. This was followed in 2009 by the Green Economy Initiative, which helps governments put environmental and resource protection at the heart of their policies and investment programmes. The Organisation for Economic Co-operation and Development (OECD) is prioritising 'green growth' with socially and ecologically oriented programmes to overcome the financial crisis. And in 2012, the 'green economy' will be a key topic on the agenda at the United Nations Conference on Sustainable Development (Rio+20).

A mammoth task

As is apparent from the broad interest shown by the international community, the concept of the 'green economy' addresses global challenges. Social injustice, climate change and the loss of natural resources and species diversity affect rich and poor countries alike, not least due to their economic impacts. If effective solutions are to be found to these problems, changes are needed on a 'tectonic' scale, according to a report by the German Federal Ministry for Economic Cooperation and Development (BMZ), which charts a »

course towards a low-carbon economy. There are good reasons to address this mammoth task. One of them is social inequality, which is increasing even in the more affluent countries and is exacerbated by severe ecological problems. For four months last year, humanity was living on nature's credit. The Global Footprint Network calculated that 21 August 2010 was Earth Overshoot Day – the day on which we exhaust our ecological budget for the year and the day on which demand on ecological services begins to exceed the renewable supply. At present, we are consuming the equivalent of one and a half planet earths, and every year, the gap between supply and consumption grows wider. But the earth is not an infinitely generous and patient creditor. Humanity is paying a heavy price for its reckless economic behaviour: climate change, loss of species diversity, deforestation, water scarcity and food shortages are the outcomes.

The high price that nature is demanding from us should not only be viewed in symbolic terms, however. Our immoderate consumption is costing the earth in monetary terms as well. If we are able to exploit natural resources at no cost and to generate income from them, the market is failing, according to economist Pavan Sukhdev, Study Leader of The

Economics of Ecosystems and Biodiversity (TEEB) commissioned by the German Government and the European Commission, and now Head of UNEP's Green Economy Initiative. The study puts a price tag on natural resources and in this way makes visible the social and ecological costs of our destruction of the natural environment. For example, the study calculates the costs of annual forest loss at USD 2,000-5,000 billion. The costs of the financial crisis pale by comparison. Putting a price on ecosystem services has aroused some controversy, for the calculations are complex and are based on estimates. Nonetheless, they send out a very clear message. 'Business as usual' is not an approach that we can afford.

The effects are mainly being felt by poor countries. They pick up the tab for our heavy spending at nature's expense. And yet these countries make the smallest contribution to this profligacy. In Asia and Africa, for example, the negative effects of climate change are already being felt and are exacerbating social problems. Rising temperatures and water scarcity are causing harvest failures that worsen poverty and hunger. 25 million people are already climate refugees, and UNEP fears that the figure could double over the coming

EXAMPLES OF GIZ PROJECTS > RESPONSIBLE ECONOMIC ACTION

>INDIA

Sustainable Forest Management



Commissioned by: Gujarat Forest Department, Government of Gujarat
Financier: Japan Bank for International Cooperation
Overall term: 2008 to 2013

Forest conservation and management are a global issue. In the Indian state of Gujarat, GIZ International Services is working with national and international partners to promote cooperation between the Forest Department, the regional agency responsible for forest conservation, and local communities who live and work in the forests. By redefining the Forest Department's role and assigning it a clear set of responsibilities while offering equitable and sustainable use of the forests to local communities, the living conditions of stakeholder communities are improved and the forest is protected for the long term.

>MONTENEGRO

Development of Tourist Sites



Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ), with cofinancing from the Austrian Development Agency (ADA) and the Norwegian Ministry of Foreign Affairs
Partner: Ministry of Tourism and Environmental Protection, Montenegro
Overall term: January 2006 to June 2011

Montenegro's landscape and regional diversity makes tourism one of the country's most important economic sectors. The aim of the programme is to develop tourist sites in a sustainable manner, with nature conservation and the environment being mainstreamed in all actions. In order to support soft tourism, local communities are involved in the planning and implementation of measures. Hiking and mountain bike routes are being developed, along with wine routes and facilities for anglers. In Lake Scutari National Park, for example, tourists can visit vineyards, go kayaking or take a guided tour.

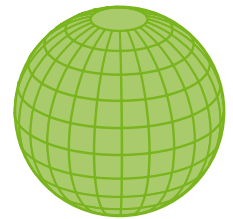
years. The loss of natural resources poses a direct threat to livelihoods in the developing countries. More than one billion people are directly dependent on functioning ecosystems, for example because they earn their living from farming or fishing.

How can these problems be solved? Should everyone be satisfied with less? For the affluent countries, this is an entirely realistic solution – and could be achieved without seriously affecting people’s quality of life. This, at least, is the inference to be drawn from the BP World Values Survey. It shows that once a certain standard that safeguards adequate and healthy conditions of life has been reached, additional consumption does not lead to any further increase in satisfaction. For the poorer countries, however, ‘going without’ is not an option. Here, economic development is not only desirable; it is a vital necessity.

An increase in financial prosperity is not synonymous with sustainable development, however. The fact is that economic growth and social development do not always coincide. The Human Development Index (HDI) is therefore based on the premise that human development is a ‘process of expanding choice’. Income is just one – albeit im-

portant – indicator of a country’s level of development, alongside education and life expectancy. The Happy Planet Index drawn up by the New Economics Foundation, a UK-based think tank, considers satisfaction and well-being in relation to resource consumption and shows that a good life does not have to cost the earth.

However, many developing and emerging countries are concerned that their prospects for growth may be limited if the environment is to play a central role in economic life. This became apparent in the debate during the Rio+20 preparatory meeting in May 2010. Diplomats from the G77, the largest intergovernmental organisation of developing countries in the United Nations, gave only hesitant support to the ‘green economy’ agenda item, even though the Summit places the ‘green economy’ firmly in the context of poverty reduction. The Indian representative summed up the scepticism: his country’s priority is to feed its people – even at the cost of higher CO₂ emissions. Many developing countries also fear that the ‘green economy’ will result in disadvantages such as ‘green protectionism’. They are worried that the industrialised countries could close off their markets by introducing non-tariff barriers to trade such as »



10.2*

LUXEMBOURG



1.3*

VIET NAM

* Ecological footprints: the figure shows how many planets we would need if everyone on earth were to adopt these countries’ lifestyles. Source: The Happy Planet Index 2.0

› EAST AFRICA

New markets for renewable energies



Commissioned by: German Federal Ministry of Economics and Technology (BMWi)

Part of the: Ministry’s Renewable Energies Export Initiative

Overall term: since 2009

Demand for energy in East Africa is soaring, and investment in the energy supply infrastructure is urgently needed. Due to its geophysical and political conditions, the region is well-suited to the expansion of renewable energies. For the past two years, GIZ has assisted German companies in gaining access to the East African markets. Interested companies are provided with information about potential markets and funding opportunities and can thus transfer their knowledge to countries such as Uganda or Kenya. Additional policy advice helps to create conditions that are conducive to investment in renewable energies, providing long-term benefits not only for local and German companies but also for the environment and local communities.

› LATIN AMERICA/CARIBBEAN

Opportunities of globalisation



Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)

Partner: United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

Overall term: 2006 to 2010

Economic development does not necessarily equate to social integration, equality of opportunity and sustainability. GIZ is working with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) to advise the countries in the region on establishing the necessary political frameworks for a social and ecological regional economy. Improving access to global markets is a key focus of attention, as is the mitigation of climate change, good governance and promotion of innovation. Joint seminars and publications, bilateral talks and agreements are just some of the ways in which partners are setting a course towards broad-scale, sustainable economic growth.



* Ecological footprints: the figure shows how many planets we would need if everyone on earth were to adopt these countries' lifestyles. Source: The Happy Planet Index 2.0

environmental standards – and according to the poorer countries, they have virtually no financial capacities to invest in sustainable production processes or provide their workforce with training in 'green' technologies. There are often shortcomings in the field of good governance as well. A sustainable economy needs stable governance structures to create the frameworks and legislation for social and environmental protection and also offer incentives for innovation. Support from the state is also required so that the general public is not excessively burdened by the costs of a sustainable economy. This must include social assistance for poorer population groups, for example, to offset any increase in water and food costs resulting from factoring environmental costs into prices.

Opportunities for emerging economies

At the same time, a sustainable 'green' economy offers great opportunities for developing and emerging countries. For example, the value of the developing countries' resource wealth is enhanced in a sustainable economic system. What's more, because developing and emerging countries are particularly impacted by climate change, it is in their interests to reduce greenhouse gas emissions. A sustainable economy therefore offers them opportunities to cut costs and improve the supply of goods and services at the same time. The United Nations calculates that the benefits of environmental projects far outweigh the costs. Furthermore, in many cases, not enough account is taken of the multiple benefits afforded by conservation measures. For example, a decision to protect coral reefs will benefit coastal protection, eco-tourism, fishing and therefore the food supply at the same time.

Energy consumption is one area that offers major potential for financial savings, as imports are expensive and energy inefficiency drives up consumption. According to the International Energy Agency (IEA), energy consumption and greenhouse gas emissions will increase by 45% by 2030 if the current trend continues. Developing countries will then be spending more than 10% of their gross domestic product (GDP) on energy – funds that will no longer be available to improve health care and education. Energy consumption is particularly high in the emerging economies. Rapid economic growth in these countries is far outstripping the capacities of the energy supply, putting development at risk. Even a fourfold increase in India's coal consumption over the next 25 years, for example, would not suffice to meet its energy needs. No wonder the Indian Government has launched an energy programme – with the German Government's support – that commits the 5,000 largest energy consumers to make massive savings. It also provides training for energy managers and makes greater use of alternative en-

ergies, especially in rural regions, where 500 million people currently have no access to electricity.

The transition countries of South-East Europe also have sound economic grounds to rethink their approach to energy. Montenegro is one example: this small country currently has to import one third of its energy supply, at great expense. With the exception of hydropower, renewable energies are hardly used. Montenegro has the potential to reduce its energy consumption by 20 to 40% in both the domestic energy sector and industry in the short term. An information campaign has now been launched to raise awareness and promote more sparing use of energy. The government is also promoting sustainable energy production and energy management through legislation and incentive schemes. 'Innovative energy-saving technologies also need a workforce with the appropriate skills, but these workers are almost impossible to find in Montenegro,' says Jeanette Burmester, who is responsible for the Vocational Education and Training (VET) Project that GIZ is implementing in Montenegro on behalf of BMZ. However, this situation is likely to change in the near future, as vocational training is increasingly focusing on energy efficiency and the protection of the environment and natural resources.

In least developed countries like Uganda, the energy problem takes a rather different form. Uganda, with its population of 33 million, currently meets up to 93% of its primary energy needs from biomass. This puts additional pressure on the country's already heavily depleted forest stocks. Only 10% of the population has access to electricity, and the figure falls to just 5% in rural regions. This puts the brakes on economic development. Annual economic growth is 1 to 2% lower than the potential due to frequent power outages. Uganda's National Development Plan for the period to 2014/15 contains a commitment to promote a sustainable energy supply as calculations show that with alternative renewable energy sources, more people can be supplied with electricity at affordable prices. Tax concessions have also been made available to create a more favourable climate for renewable energies, and a standardised feed-in tariff has existed for alternative energies since 2011. The goals are ambitious, but at present they only exist on paper.

New income sources

A sustainable economy not only saves money; it also creates new sources of income, for example in agriculture. The global market for organic products has a value of around USD 46 billion annually, with turnover in this segment rising by more than USD 5 billion each year, according to Organic Monitor, a marketing and information services company »

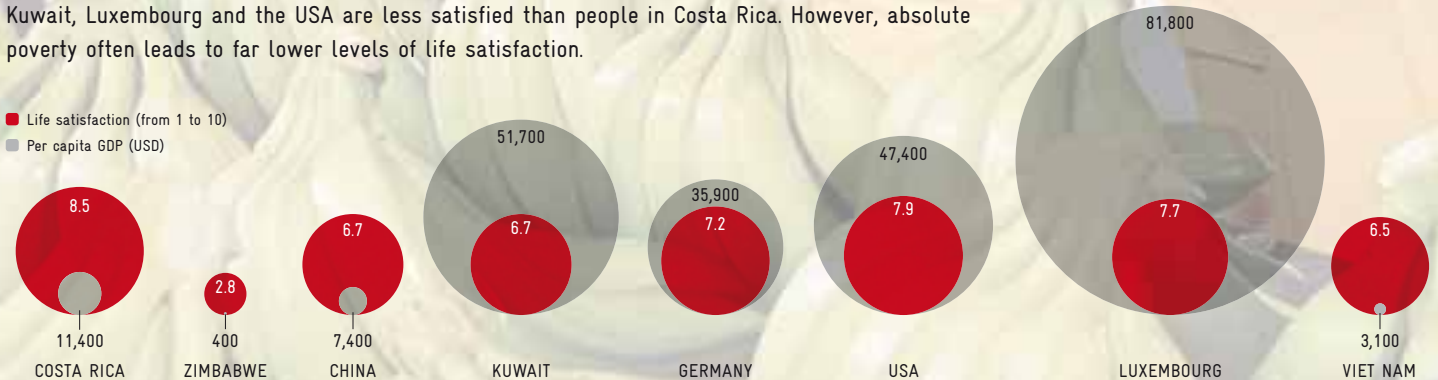


COSTA RICA: People in this Central American country are the most contented in the world, according to one study – despite their relatively low level of affluence.

MONEY ISN'T EVERYTHING

Life satisfaction is only partly dependent on affluence. People in wealthy countries such as Kuwait, Luxembourg and the USA are less satisfied than people in Costa Rica. However, absolute poverty often leads to far lower levels of life satisfaction.

■ Life satisfaction (from 1 to 10)
 ■ Per capita GDP (USD)



Sources: The Happy Planet Index 2.0/CIA-The World Factbook

'I am convinced there are more development solutions than development problems in addressing global warming and biodiversity loss.'

Pavan Sukhdev, Head of UNEP's Green Economy Initiative

for this sector. Organic farming also benefits the environment, cutting greenhouse gas emissions by around 64%, according to UNEP. It even increases yields – by 79% on average, partly because this approach to farming is adapted to local soil conditions and water availability.

While the growing markets for these products are mainly located in the affluent countries, 80% of organic producers are located in Africa, Asia and Latin America. Uganda has seized this opportunity. As is the case in most countries with a high poverty rate, most of Uganda's population depends on agriculture for their livelihoods. Most of them are small farmers who cannot afford expensive aids such as artificial fertilisers. The producers have made a virtue out of necessity, with large numbers of them switching to lucrative certified organic farming. There are now more than 215,000 organic farmers in Uganda, and last year, exports of organic products generated USD 36 million, according to the National Organic Agricultural Movement of Uganda (NOGAMU). The producers can demand prices two to three times higher than for conventionally grown products.

Montenegro has identified soft tourism as a source of income. Indeed, tourism is the main contributor to the economic development of this small Adriatic country. The hinterland in particular is now being opened up to cycle tourism and hiking. The government of Montenegro is keen to avoid the construction boom in the new tourist regions that has taken place along the coast, but it also wants ecotourism in Montenegro's disadvantaged regions to create jobs in order to curb out-migration. Tourists look for an intact environment, however, and in this respect, this small country, formerly part of Yugoslavia, has some ground to make up. 'In the 1990s, things were not looking good for nature and the environment in Montenegro,' says Jeanette Burmester. The war, international isolation and the collapse of its existing systems had inflicted serious damage on its ecosystems. Since then, Montenegro has worked hard on its political, economic and social development, but has also focused on the environment. Today, it is proud of the fact that it was the first country in the world to make sustainable development a constitutional goal.

This was not only motivated by the desire to tap tourism as a source of revenue, however. It also reflects the fact

that Montenegro is an EU accession country, having been granted official candidate status in late 2010. This is a major incentive to meet the EU's standards on sustainability, notably as regards greenhouse gas emissions reductions and energy efficiency. By gearing up to join the EU, this transition country is determined to demonstrate its capacity for cooperation and attract more Western investors.

Technology back in focus

'Responsible economic action also makes technology a stronger focus of cooperation between partner countries once more,' explains Andreas Villar, GIZ's Energy and Climate Project Manager. In particular, transition and emerging countries that are about to invest in energy and infrastructure have the chance to switch directly to new and future-oriented technologies. 'In some regions of the world, they can 'leapfrog' one generation of technology altogether,' says UNEP Executive Director Achim Steiner. There are numerous examples of this in the energy sector. One is the DESERTEC project, whose aim is to generate clean power from solar thermal plants located in the deserts in North Africa and the Middle East. The Indian Government has announced that it plans to make the country a 'wind superpower'. Wind power systems from India are now being supplied to Australia and the United States. China is now the largest producer of solar panels, and has created 1.5 million jobs in the renewable energy sector over recent years.

International technical cooperation can support partner countries' technological development, e.g. through public-private partnerships. A key element of this technological cooperation is capacity building at the local level. This is the only way to ensure that the use of technology will bring genuine benefits and create new jobs for skilled workers. For German companies in particular – the world leaders in a range of efficient and innovative environmental technologies – more intensive cooperation between business and development policy offers very attractive prospects. There is strong demand for environmentally friendly technologies in many developing and emerging countries, but frameworks that are conducive to investment are rarely in place. Programmes launched within the framework of development cooperation can help

to improve the situation. For a country such as Germany, which has the largest amount of installed wind power capacity worldwide and the highest recycling rates for packaging, glass and paper, and which is a leader in the field of thermal insulation technologies for buildings, there is an opportunity to couple development policy objectives with Germany's export interests, thus generating and increasing synergies. Consolidating and improving the German economy's position in the growth markets also safeguards growth and jobs in Germany and creates them in the partner countries. By flanking the German Government's development agenda with German business activities in strategic growth markets, a 'triple-win' situation can be created, with clean technologies, knowledge transfer and employment (green jobs) for developing countries. This reinforces German industry's leading position in the environmental and climate technologies sector while improving the status of the environment worldwide. International cooperation is not only needed in the technology sector, however. Support is required on a broad scale so that the social and ecological economy becomes established in the poorer countries as well. German development policy has always pursued a holistic approach. 'The focus on a social and ecological economic model calls for a more interdisciplinary approach than before, and that means taking a holistic view,' emphasises Andreas Villar.

Action rather than reaction

The Advisory Services in Environmental Management (ASEM) programme, which GIZ is implementing in India on behalf of BMZ, is one example of a programme that aims to integrate all relevant sectors into a blueprint for a sustainable economy. Under the programme, GIZ provides advice and support to relevant government agencies on environmental management for industry and municipalities. Rather than simply reacting to the problems caused by growing urbanisation, industrialisation and consumption, India wants to actively shape a more sustainable economy and improve quality of life. These goals are to be achieved with Germany's support. The programme covers a wide range of sectors, including environmental legislation, sustainable consumption, consumer protection and urban development.

This type of holistic approach is necessary because improvements in single sectors do not create a genuinely sustainable system. The People's Republic of China, for example, is achieving impressive levels of economic growth and making major progress on poverty reduction. It is also earning praise from the international community for its substantial investments in ecological sustainability. China invested around USD 218 billion from its economic stimulus pack-

age to minimise the impact of the global economic and financial crisis in developing a 'green' infrastructure. However, social development is lagging behind. Social inequality in China is extreme, with a particularly wide gap between urban and rural regions. The social system is unstable, there is a lack of social protection in the event of illness and unemployment, for example, and vocational training and health care are still under-prioritised.

Despite its successes in organic farming, Uganda is still a long way from achieving a sustainable economy. The export of organic products is a good revenue source, but adversely affects the global ecological balance sheet. There are other problems as well: 'Not enough attention is being paid to the environment. Natural resources are coming under pressure as a result of population growth,' says Robert Bakiika, a scientist working for the NGO Environmental Management for Livelihood Improvement. Bakiika points to deforestation, water pollution and the careless management of waste in his country as critical areas. The pressure on the natural environment is increasing, especially as Uganda is now developing an oil industry.

Compared with many other countries, Germany is well on track towards sustainability. The Federal Statistical Office conducts a regular two-year review to measure Germany's progress towards the sustainability goals that it has set itself, and at present, 19 out of 35 indicators show that it is moving in the right direction. There is room for improvement, however. The transport sector is one example. If Germany could agree on the introduction of a speed limit, this would cut CO₂ emissions by around three million tonnes per year, according to calculations by the Federal Environment Agency (UBA). And in 2008 alone, the transport sector received environmentally harmful subsidies amounting to EUR 23 billion. On the other hand, Germany has made major efforts since the 1990s to decouple economic growth from emissions. Air and water quality has steadily improved, especially since companies have recognised the benefits of a social and ecological business model. Germany aims to reduce its greenhouse gas emissions by 40% by 2020 compared with the 1990 baseline. The expansion of renewable energies is progressing well, with renewables currently accounting for a 16% share of the German electricity mix.

In the run-up to Rio+20, the German Government is actively championing the 'green economy' through its Magazin zur Entwicklungspolitik [Development Policy Magazine] and is promoting global solutions in order to mitigate the political, economic, social and environmental impacts of climate change. Germany provides more than EUR 1 billion to support climate actions in developing countries and is investing more than EUR 500 million in making energy »



* Ecological footprints: the figure shows how many planets we would need if everyone on earth were to adopt these countries' lifestyles. Source: The Happy Planet Index 2.0

» INTERVIEW

'LINKING THE ECONOMY AND ECOLOGY'

Federal Minister Dirk Niebel talks about the German Government's goals for Rio+20 and the opportunities and challenges of sustainable economic development.

Rio+20 is the next major UN Summit, scheduled for 2012. Which debates are currently under way within the German Government on the topic of 'The Green Economy in the Context of Poverty Eradication and Sustainable Development'? What do you see as the main priorities in terms of creating positive outcomes for the world's poorest people?

The German Government worked actively within the EU and the UN frameworks in order to put 'The Green Economy in the Context of Poverty Eradication and Sustainable Development' at the top of the agenda for the United Nations Conference on Sustainable Development (Rio+20). Economic development is a key prerequisite for poverty reduction and improving people's living conditions. However, studies have shown that a failure to link economic and environmental aspects ultimately decreases prosperity, especially for the poor, who are often highly dependent on access to natural resources.

So our aim is to support economic development in our partner countries to ensure that it is sustainable and helps to reduce poverty. Targeted 'smart' management of natural resources offers the opportunity for local broad-impact growth combined with income generation opportunities for the poor. This includes providing access to clean and affordable water, sustainable commercialisation of forest products and medicinal plants, and measures to combat erosion as a means of protecting fertile arable or grazing land. The promotion of a decentralised energy supply from renewable sources also increases the opportunities for rural groups to have a stake in the economy and society.

The emerging economies India and China are experiencing dramatic rates of growth. What can be done in international cooperation to ensure that sustainability is the economic paradigm here too?

We should not harbour unrealistic expectations that we can influence these major emerging countries as we see fit. India, for example, sees itself as a world power, with an economic growth rate of 9% and a population of almost 1.2 billion. Sustainability issues – in the environment, society and the economy – are becoming increasingly important for India. The governments of these countries are well aware of the massive challenges they face in the energy sector, for example, or in relation to vocational training. They are also aware which of the world's countries can offer them the technical skills, experience and knowledge that they need to address these problems. India considers that German experts have particularly high levels of competence in the two areas that I have mentioned. So as part of our bilateral cooperation, we are supporting the Indian Government's efforts to substantially improve energy efficiency at national level. The same applies to vocational training, where we are supporting training schemes that can then be replicated on a broad scale with funding from India itself. We are no longer engaged in bilateral development cooperation with China, incidentally, so our main entry points there are transnational mechanisms and regional programmes.

Sustainability is the guiding principle of German development policy. What do you see as being the main areas of action for develop-



Dirk Niebel, Federal Minister for Economic Cooperation and Development

ment cooperation in order to achieve a sustainable economy both in the partner countries and at the global level? Which stakeholders need to be involved to a greater extent, or in a different way than before?

In my view, sustainable economic development is the best form of poverty reduction. That is why cooperation with the private sector is one of the main priorities on our new development policy agenda. If companies invest in a social and ecologically compatible manner and create jobs, they enable people to earn their own incomes – and that is the ideal form of help towards self-help. So that's why we are supporting Corporate Social Responsibility and helping German companies to engage in developing countries on a sustainable basis: through access to affordable credit, advisory services and our programme for development partnerships with the private sector (www.develoPPP.de).

We are also promoting good governance, which means fostering an enabling environment in our partner countries. Companies can only flourish if there is legal stability and if ex-

cessive bureaucracy or even corruption is not a barrier to investment. We are also focusing on education as a key issue in development cooperation – after all, education enables people to take control of their lives. A good level of education gives people opportunities to lift themselves out of poverty and empowers them to drive their society's development on a sustainable basis.

A sustainable 'green' economy can only be achieved if consumers become more aware of their global role. Which role can society play in the transition to a responsible economy? How much scope is there for action by the individual? Where, in your view, are the entry points for people who want to take action and shape a better future for everyone?

The consumer is an important actor in global trade. Through his or her purchase decisions, the consumer can directly influence people's living and working conditions in the developing countries.

More and more companies are meeting additional environmental and social standards in their production processes. Consumers can identify these standards by looking for the quality seals displayed on the products. One example is FSC certification (sustainable forest management) for wood and paper products. Buying fair trade products can also help to lift producers out of extreme poverty. Fair trade supports local grassroots organisations and sustainable economic activities. Our main goal is to map out individual options and ways forward for people who have only recently started to take an interest in these issues, or for people who are still undecided. We want to show them where and how they can play a role in development. That's one of the reasons why we have redesigned our website. We also want to make it much easier for the public to get involved in development, so we will soon be setting up a new service point for civic engagement in development, which is due to start work in early 2012. This will not only pool existing mechanisms for development cooperation with those of civil society. It will also organise and facilitate the provision of advice, support, funding, training, information and civic education. The service point is intended to create new and fresh impetus for BMZ as the *'BürgerMitmachZentrale'* – the place where citizens get involved – and provide a main point of contact for ideas, enquiries and funding applications from civil society and the municipalities.

www.develoPPP.de/en/index.html

resources worldwide more efficient and climate-compatible. This commitment not only reflects Germany's sense of global responsibility: the German Government frankly admits that this also serves Germany's economic interests, seeing the 'green economy' as a driving force for jobs and growth. 1.8 million Germans work in the environmental sector and the planned reduction of greenhouse gas emissions by 2020 requires major investment, creating around 630,000 new jobs and increasing the gross domestic product by around EUR 80 billion, as the Federal Environment Agency (UBA) confirms. Environmental technologies are among Germany's most important export goods. The aim is for these technologies to generate 14% of German GDP in 2020, with turnover in this highly innovative sector increasing to EUR 3.2 trillion worldwide by that date.

Economic efficiency as a driving force

Economic factors are therefore a driving force for sustainability, not only in Germany but worldwide. It is a long-term task, however. UNEP emphasises that: 'The green economy is both the means and the end.' It took the industrialised countries decades to discover sustainability for themselves. The emerging economies are well aware of the industrialised countries' mistakes and the risk of repeating them – after all, China is now the world's largest greenhouse gas emitter. Increasingly, however, emerging countries – with support from international development cooperation organisations – are trying to do things better. 'We can't follow all the practices of the industrialised nations ... India is a unique country like none other ... meaning India will need its own unique solution – its own green economy,' says the Green Economy India initiative, for example.

The challenge now is to involve the least developed countries as well. The industrialised countries' good ecological balance sheet is somewhat misleading because many high-emission and energy-intensive industries have been outsourced to emerging countries. Rather than having to deal with the environmental problems resulting from the production processes themselves, affluent countries simply import the finished products. The emerging economies, in turn, are now passing on the problem to poor countries in an effort to protect their own environment and promote themselves as a location for 'clean' business. But passing the buck does not solve the problems on the global agenda. This can only be achieved through an awareness of shared responsibility, expressed in practical terms as more social justice and equity between North and South. According to experts, this should include the abolition of subsidies – especially in the farm sector – which put the developing countries at a »



2.1*

CHINA



8.9*

KUWAIT

* Ecological footprints: the figure shows how many planets we would need if everyone on earth were to adopt these countries' lifestyles. Source: The Happy Planet Index 2.0

disadvantage. One possible mechanism for achieving a more equitable situation is emissions trading, which provides developing countries with substantial financial resources to invest in the environment. Professor Ernst Ulrich von Weizsäcker, German Environmental Award laureate, is a supporter of an equal per capita allocation of emission rights for the world's population: 'If this were established, those of us who live in the Northern hemisphere would have to buy emissions allowances in large quantities from the South, while in the South, the question that would immediately arise in connection with every CO₂-relevant economic decision is whether it would be more lucrative to implement the proposal as it stands or, instead, sell the relevant emissions allowances in the North and use the funds to improve efficiency.'

More financial transfers are required, too, in order to assist the emerging and developing countries in developing sustainable economies. The Cancún climate conference at the end of last year agreed that a 'Green Climate Fund' should be set up to assist these countries in pursuing a low-carbon development pathway. The developing countries are to receive USD 30 billion by 2012 to equip their economies with modern technologies, with USD 100 billion per year being mobilised by 2020.

There is no shortage of good strategies for cooperation. The task now is to pursue them consistently and put them into practice. Great hopes rest on next year's World Conference. GIZ is playing its part here too: on behalf of BMU and BMZ, it is organising a conference, entitled 'The Water, Energy and Food Security Nexus – Solutions for the Green Economy', in Bonn to prepare the German contribution to Rio+20.

The German Government is hoping that the establishment of a World Environment Organisation will be one of the outcomes of Rio+20. The WEO would drive the attainment of green economic goals and provide governments with tailor-made advice and support for their switch to a sustainable and efficient economic model. However, the emerging countries also need to commit to the international agreements, for their support is vital to achieve global climate targets. It would seem then that a sustainable economy is still only a vision – but it is one which is becoming ever more clearly defined. ■

👉 www.giz.de/spotlight

👉 www.giz.de/eschborn-dialogue

SUSTAINABILITY SUMMITS: TIMELINE

It all started in Rio: the 1992 Earth Summit put sustainable development on the global agenda. The demands and objectives debated in Rio 20 years ago are still key issues for the international community.

1992

United Nations Conference on Environment and Development (UNCED), Rio de Janeiro

Outcomes: Agenda 21 was signed by 173 countries and is regarded as the global action plan for the 21st century, setting out environmental and development policy goals. The United Nations Framework Convention on Climate Change (UNFCCC) is the first international convention to commit the international community to take action on climate change. The Convention on Biological Diversity commits the international community to biodiversity protection and sustainable resource use.

1997

Earth Summit+5 in New York

Outcomes: The Summit made it clear that since the adoption of Agenda 21, only modest progress had been achieved on issues such as climate and water. Yet the outcome document adopted in

New York, the Programme for the Further Implementation of Agenda 21, also contains very few firm commitments on future action.

2002

World Summit on Sustainable Development (WSSD), Johannesburg
Outcomes: Adoption of a political declaration, the Johannesburg Declaration on Sustainable Development, and an action plan, known as the Plan of Implementation. It sets out priorities and specific goals, with a timetable, including those contained in the MDGs.

2012

United Nations Conference on Sustainable Development (Rio+20), Rio de Janeiro. Key theme: The Green Economy in the Context of Poverty Eradication and Sustainable Development.

Desired outcomes: To secure a political commitment to sustainable development, promote a paradigm shift in development issues in order to secure livelihoods for the current global population as well as for future generations while preserving our ecosystems and resources, and to develop new solutions to reform the unsustainable model of economic development practised for the past 150 years.

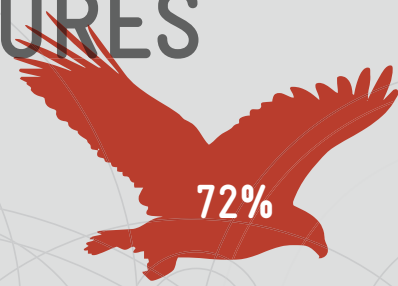
PHOTOS: FREDERIC SOLTAN/CORBIS (12), OCEAN/CORBIS (14), RENE MATTES/HEMIS/RAIF (14), SVEN TORFINN/LAIF (15), HEIKO MEYER/LAIF (15), HAUSER/LAIF (17), BMZ (20)

SUSTAINABILITY IN FIGURES



Agriculture accounts for 70% of all water use worldwide.

SOURCE: BPB 2010



72%

According to the Red List for 2009, 72% of all habitat types in Germany are categorised as being endangered or even acutely threatened by destruction.

SOURCE: FEDERAL MINISTRY FOR THE ENVIRONMENT, NATURE CONSERVATION AND NUCLEAR SAFETY (BMU)



The wage paid to a family in Guatemala for a day's labour on a coffee plantation is only three euros – and that's with the children working as well. A fair wage would increase the price of a cup of coffee by just two cents. SOURCE: DAS ERSTE 2010



According to the United Nations, if our demands on the planet continue to increase at the current rate, by 2030 we would need the equivalent of two planet earths to sustain our economic model, and that is a conservative estimate. SOURCE: UNITED NATIONS 2010



Investments in improved energy efficiency in buildings could generate an additional 3.5 million green jobs in Europe and the USA, according to the International Labour Organization (ILO).

SOURCE: ILO 2008



€788,000

Viet Nam has invested EUR 788,000 in the conservation and restoration of mangrove forests. By doing so, it has saved around EUR 5.2 million that would have been spent on building dikes.

SOURCE: BANK OF NATURAL CAPITAL 2010



» Outside view

BUSINESS HAS A ROLE TO PLAY

Sustainable development is not only a matter for governments. The business community must also change its mindset, says Marlehn Thieme from Deutsche Bank.

> PROFILE

Marlehn Thieme studied law and social sciences. She has worked for Deutsche Bank since 1986, and is currently Head of Corporate Social Responsibility/Corporate Citizenship. Marlehn Thieme is a member of the Council of the Evangelical Church in Germany. She is also a member of the German Council for Sustainable Development and took over as its Deputy Chairwoman in 2010. Marlehn Thieme is married and has two daughters.

Today's economy is characterised by a high level of industrialisation, a global division of labour, rapid communications, and a global financial market. Today, more than ever before, the economy is reliant on specific framework conditions and confidence. The financial and economic crisis spelled out the risks for everyone and raised the question of whether the paradigms that have been accepted as absolute over recent years – freedom, deregulation, and a greater role for the markets than governments – are the right way forward. What kind of life do we want to lead in the future, and what is feasible? Which kind of lifestyle, which economic model, which attitudes and which forms of responsibility will enable us to develop in a positive way across borders and generations, and promote sustainable development worldwide?

'Sustainable development is development that meets the needs of the present without compromising the ability of future generations

to meet their own needs.' The requirement to shape development 'sustainably' applies to all people and countries. This well-known definition of sustainability, developed by the Brundtland Commission in 1987, is still valid today.

In the 20th century, the German blueprint for a well-performing economy was the social market economy – a market-based economy with a strong social commitment. Germany created an economic governance framework that was designed to promote competition while resolving social conflicts. Today, globalisation, climate change, demographic shifts and resource scarcity are similar issues whose international conflict potential must not be underestimated. In their joint statement on the social and economic situation, the Protestant and Catholic Churches in Germany therefore called, in 1997, for this economic model to be developed further into a social and ecological market economy with a strong global dimen-

PHOTOS: DIRK OSTERMEIER



sion, in order to protect the natural basis of life and avoid destroying the very foundation of all economic activity.

The United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992 'joined up' the issues of the environment and the economy for the first time. In line with the Rio agenda, companies became active partners for sustainable

ing strategies on how governments can work with companies to develop joint perspectives on a 'Rio+20'. The aim must be to create the infrastructures that facilitate sustainable economic and social development over the long term in our one world.

As the Deputy Chairwoman of the German Council for Sustainable Development, I represent the position of civil society, in this instance

The aim must be to create the infrastructures that facilitate sustainable economic and social development over the long term in our one world.

development, for example through the UN Global Compact and the Global Reporting Initiative. Next year, 20 years after UNCED, another UN Conference on Sustainable Development will take place in Rio. At the WSSD in Johannesburg in 2002, international efforts focused on ensuring that countries committed to sustainability on a permanent basis, not just for the period of a government's term in office. In Rio in 2012, the main aim is to secure a corporate commitment to sustainability. It is not just about reviewing failures or successes; it is about looking ahead and generating fresh impetus for the next 20 years. It is also about agree-

ing strategies on how governments can work with companies to develop joint perspectives on a 'Rio+20'. The aim must be to create the infrastructures that facilitate sustainable economic and social development over the long term in our one world. As the Deputy Chairwoman of the German Council for Sustainable Development, I represent the position of civil society, in this instance the Protestant Church, while drawing on professional experience from my work at Deutsche Bank. The German Council for Sustainable Development has for many years seen it as its task to generate impetus for sustainable economic activity. We target consumers with our guide to the sustainable shopping basket and thus offer practical assistance towards sustainability in everyday life. We call for the public sector to consider sustainable procurement criteria in its investment decisions, as this will benefit public budgets and help to form a reference market. We call on politicians to take account of, evaluate and encourage Corporate Social Responsi-

bility. It is clear, in this context, that it is essential to create a market that rewards sustainable action. One lever is the capital market. Investors want and need standardised tools in order to be able to assess sustainable action that is oriented towards the long term, and also assess investment risk more effectively. The German Council for Sustainable Development is currently engaged in discussions with experts about the proposal for a sustainability code that would give investors clear, accurate, relevant and comparable information on the sustainability of a given company. Corporate freedom as the cornerstone of the market economy could thus be combined with a global and comprehensive public interest that encompasses the natural resources on which life depends. Companies and civil society must take on shared responsibility, thus coupling freedom with responsibility.

'Rio+20' will generate fresh impetus, provided that not only the international community but also companies and civil society play an active role and engage in a debate about the goal conflicts between ecology, social issues and the economy for the 2012-2032 generation.

The upheavals in the Arab countries show that young women and men, inspired by a desire for freedom and responsibility, are keen to shape the conditions in which they live and contribute to development. Their demand for social participation is an opportunity for development and for more sustainability. ■



CELLO SOLO IN THE RAINFOREST

THE SMALL TOWN OF URUBICHÁ is located deep in the Bolivian rainforest. In the 17th century, the Jesuits introduced violin-making and Baroque music to the area. Today, there are around 20 violin-makers and 450 young musicians in the locality. Urubichá also has a youth orchestra which has played at various festivals in South America and even in far-off Germany. Bolivia has been one of Germany's most important partners for technical cooperation over the past three decades. GIZ implements programmes in Bolivia on behalf of the German Federal Ministry for Economic Cooperation and Development, as well as for other clients.

Photo: Anja Kessler



LEARNING FROM ONE ANOTHER

Russian managers have been able to pursue professional training in Germany since 1991. What began as a study of 'actually existing capitalism' gave rise to a winning model for business development. Today managers come to Germany from 13 different Eastern European and Asian countries. In addition, German managers also visit Russia.

Text Sarah Klein



Gorbachev changed my life,' says Alexander Shorokhoff of his experiences in the 1990s. In this he is not alone. The end of the Cold War and Gorbachev's reforms brought fundamental changes to the lives of many people in both the East and the West. For Shorokhoff, though, there is something else. In 1991, he was one of the first to be given the opportunity to take part in the Manager Training Programme based in Germany. As part of the Kohl-Gorbachev agreement and in close cooperation with the Soviet Union, the then Carl Duisberg Gesellschaft launched a wide-ranging professional training programme for highly qualified managers and experts working in business and business administration. One aim of the Kohl-Gorbachev agreement was to conduct a study into 'actually existing capitalism', focusing in particular on the workings of the social market economy. Gorbachev was convinced this was the only practicable solution to boosting the Soviet economy – Russian managers should from now on receive professional training in Germany.

Win-win situation

The Manager Training Programme, later run by InWEnt – Capacity Building International, Germany,* has proved a highly successful initiative: over the last two decades, around 20,000 Russian experts and managers have attended the training programmes, with around one quarter of participants detailed to German companies. New contacts and networks were established between the Russian and German companies, in particular between small and medium-sized enterprises. Under their 'Fit for Partnership' slogan, the programmes paid particular attention to developing leadership and management skills and establishing new business relationships. And the success has been tangible: training sessions have played a significant role in broadening the basis of German-Russian business relations. The programmes offer practical business experience and promote knowledge and un-

MANAGER TRAINING



AT A GLANCE

- Manager Training Programme in Germany
- **Commissioned by:** German Federal Foreign Office (up to 1998), German Federal Ministry of Economics and Technology (from 1998)
- **Partners:** companies in Azerbaijan, Belarus, China, Germany, India, Kazakhstan, Kyrgyzstan, the Republic of Moldova, Mongolia, Russia, Turkmenistan, Ukraine, Uzbekistan and Viet Nam
- **Term:** since 1991

Promoting business through manager training: around 20,000 Russian managers have undergone training in Germany since the start of the project. Of these, about one quarter were detailed to German companies – 786 during 2010 alone. The training programmes have been highly successful: new contacts and networks have been established between participating Russian and German companies, in particular between small and medium-sized enterprises (SMEs). In this way the project has made a major contribution to deepening German-Russian business relations. Today, Germany is visited by managers from a further twelve countries. Originally an initiative of the German Federal Foreign Office in 1991, the sole commissioning party since 1998 has been the German Federal Ministry of Economics and Technology (BMWi).

Partnership opportunities with company representatives in Eastern Europe, Central Asia and Asia can be found at:

<http://gc21.inwent.org/mp>

derstanding of business processes in German companies. Participants are given an insight into the operative and organisational structures, business interests and market strategies

of German companies. This underpins the preparation of participants for future tasks, such as bringing their own firms into line with the German or EU market. At the same »

* GIZ was formed on 1 January 2011. It brings together the long-standing expertise of DED, GTZ and InWEnt – Capacity Building International, Germany.

time, managers are able to hone their general skills in running a company. Particularly worthy of mention is the programme's broad reach, since it involves mainly small and medium-sized enterprises from Russia's regions, as opposed to companies in the economic heartlands of Moscow or St. Petersburg.

In the meantime, the original project has given rise to numerous spin-offs in Eastern Europe and Asia. In Azerbaijan, Belarus, China, India, Kazakhstan, Kyrgyzstan, the Republic of Moldova, Mongolia, Turkmenistan, Ukraine, Uzbekistan and Viet Nam, the programme has been adopted with the same objectives: acquiring knowledge of the German market and German business culture, making business contacts and conducting preparatory talks with prospective business partners in Germany.

Since 2006, it has also been possible for German managers to undergo continuing training in Russian companies with a view to getting their business in shape for the Russian market. In this way the Manager Training Programme in Germany has developed into a symbiotic exchange programme that provides

all participating companies with access to another market – a win-win situation all round.

In partner countries, the manager training programmes are considered key to promoting modernisation processes in companies. 'We managed to increase sales by 70% over the previous year and win new customers. That would hardly have been possible without the training in Germany,' says Irina Matskevich. A graduate in psychology, she and her husband run D-ARC in Kazakhstan, a company of around 100 employees which supplies construction services ranging from project development to general planning, as well as prefabricated elements for low-energy housing.

The training legacy

Praise for the practical nature of the training programme also comes from Igor Sinkin, Managing Director of SibTotschMasch, the Siberian Centre for Precision Engineering and Design: 'Management training in Germany taught me to be more precise about formulating my company's objectives. Now I find it easier to make the right choices when taking strategic deci-

sions. Thanks largely to the new machinery, we are now manufacturing at two to three times the speed – and half the cost. This means that medium-sized companies can also afford our expertise.' As a result of his international training, Igor Sinkin is able to stay ahead of the competition on the Siberian market.

Graduates of the Manager Training Programme know they also take on an important role as multipliers for the economic development of their country. On returning home, many managers set up graduate associations in other countries with a view to promoting exchange of experience, providing mutual support in the application of new knowledge, developing opportunities for economic cooperation in the region and building international contacts through corporate networks. ■

.....
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Left: Graduate engineer Sönke Winterhager, Managing Director at BGH Edelmetall Freital GmbH, took part in the Manager Training Programme for German managers in Russia. Right: Benefiting from German mining know-how: (from left) Dorjderem Bayarbayasgalan, Sengee Davaadorj, Sambuu Bayarchimeg.

EXPERIENCED AND SELF-CONFIDENT

Planting organic rice is paying dividends for small farmers in Cambodia – not just in financial terms. The key to their success is the creation of producer groups as a result of individual farmers banding together.

Text Winfried Scheewe

Cambodia's small farmers are producing organic rice – with great success. This may come as something of a surprise to anyone who is familiar with the difficult circumstances Cambodia faces when it comes to growing rice. On account of its relatively infertile soils, harvest yields are low compared with other countries in the region. And to make matters worse, only ten per cent of rice fields can be irrigated. The tropical climate, with its marked rainy and dry seasons, means that most farmers can only achieve one harvest per year. In addition, they receive little in the way of state support, even though most rural families are heavily dependent on rice farming.

Strength in unity

In spite of such adversity, since 1999 the Cambodian non-governmental organisation Centre d'Etude et de Développement Agricole Cambodgien (CEDAC) has been promoting sustainable rice growing with small farmers and helping them to produce and sell the organic product. 'The project was supported by the German Development Service* from 2006 until 2010,' explains Norng Somath, who heads the organic rice department at CEDAC. 'During this period we provided advisory services to 790 organic rice producer groups »

* GIZ was formed on 1 January 2011. It brings together the long-standing expertise of DED, GTZ and INWEnt – Capacity Building International, Germany.



The organic rice farmers benefit from sustainable production on many levels.



Successful exports: Some of the organic rice from Cambodia finds its way onto the shelves of New York stores.

with over 7,800 members. We helped them, for example, to set up producer communities and offered guidance on how to develop verifiable farming guidelines. We also acted as the middleman between farmers and the dealers with whom they worked previously.'

The amalgamation of individual farmers into producer groups was a key step towards achieving commercial success. 'Each individual small farmer used to produce on average just 500 kg of jasmine rice for sale,' says Norng Somath. 'These are relatively low volumes and rather unattractive and costly for the buyers. That's why we set up producer groups early on which together could offer larger volumes.' Each group appointed a spokesperson. Then Norng Somath and his team passed on all the knowledge they needed to organise, transact and document business dealings on their own.

A second milestone was the introduction of organic certification in 2005. With the support of CEDAC, the rice farmers drew up a set of guidelines for organic rice farming and established an internal quality control mechanism. One aspect of this was the appointment of a member from each cooperative, whose job was to check on a regular basis that the guide-

lines were being adhered to out in the fields and to document all results. Certification was then based on this documentation. 'This system enables us to prove to our customers that our rice really is organic,' says Norng Somath. 'That is extremely useful when it comes to marketing.'

Increased revenues with organic rice

In addition to developing a certification system, CEDAC also set up a distribution network for the sustainably farmed agricultural produce it purchased, and from 2006 also received support from an expert from the German Development Service (DED). In early 2010, this marketing programme was put in the hands of a trading company that did not focus solely on the Cambodian market, but also developed contacts with a US company that imported specialty rice varieties from a number of different countries. In this way some of Cambodia's organic rice ends up on the shelves of New York stores.

One objective was to pay the farmers at least ten per cent more than other local dealers for comparable conventionally grown rice,

thereby creating a clear incentive for growers to become involved in the organic project. It was not possible to pay this higher price every year. The reason for this was the high demand for jasmine rice, particularly from neighbouring Viet Nam. 'In some years, the price of conventionally farmed rice rose sharply – to the same level we had agreed with the organic farmers before the harvest,' explains Norng Somath. 'So even if we increased our price further, the dealers followed suit and bought conventional rice for the price of organic.' This meant the incentive for organic farmers was temporarily lost, but the declared objective of rewarding organic quality with a higher price remained. 'This incentive is essential if farmers are to continue to accept the additional costs involved in organic farming and if we are to win over even more farmers to sustainable production,' says Keam Makarady, a CEDAC certification specialist. 'What's more, certification results in costs that the cooperatives are obliged to recoup through higher pricing.'

But the farming of organic rice brings more than just economic benefits. There has also been a general increase in the awareness of quality – and the knowledge of how to achieve



Thanks to increased experience and self-confidence, farmers are able to negotiate better prices in their dealings with rice merchants.

it. 'We now pay much more attention to ensuring the rice is well dried after harvesting,' explains Sam Lone from Chheur Kheap village. The farmers have also learned that mixing high-quality organic rice with lesser varieties pushes the price down, so they now make sure that grains are carefully separated. A brochure has been created summarising these and other important quality requirements.

The farmers now also have the experience and self-confidence not simply to accept the first price offered, but to negotiate with rice buyers and obtain better terms. And thanks to their involvement in organic farming, the people have also become more aware of environmental and health issues. Many of those questioned said they recognised the risks of chemical fertilisers and pesticides and now appreciated the benefits of organic farming for their health and the environment. Exchange of experience between groups has meant that individual members as well as whole villages have been able to develop new areas of activity – such as rice processing, sustainable vegetable farming and fish farming. Two cooperatives have built their own storehouses and one group now even has its own rice mill. 'The mill

enables us to save time and money. Previously we had to take the rice to the nearest town to have it milled,' says one farmer's wife. 'In addition, we can now decide what happens to the by-products such as bran, which would otherwise be retained by the rice mills as compensation for the cost of milling.'

A further innovation is the rice bank set up by the cooperative in Tong Tralach, which enables families to borrow rice should they have insufficient supplies to last until the next harvest. As soon as the harvest is in, they then repay the loan with a small interest. 'The rice bank was only possible thanks to the trust between members that has developed through working closely together,' says the chairman of the producer group.

Not everything runs smoothly

However, a survey of 125 members of the agricultural cooperatives carried out in late 2010 brought to light a number of criticisms. Some groups complained that they were often left to wait a long time before CEDAC employees came to buy the organic rice. This posed a problem because many families need revenues im-

mediately after the harvest in order to pay back debts. 'It's true there were temporary difficulties in 2008 due to the impact of the financial crisis,' explains Norng Somath. 'We were not able to free up sufficient capital to purchase the rice and we were also forced to make significant adjustments to the planned expansion of the rice trade. This meant that certain producer groups were forced to look to other buyers.'

Nevertheless, involvement of the non-governmental organisation and German support have proved worthwhile. In the survey of 125 organic rice farmers, one observation came up time after time, says Norng Somath: 'If it had not been for our producer groups, we would never have been able to improve our prices and conditions.' ■

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BRAIN GAIN NOT BRAIN DRAIN

Ten per cent of the population of Honduras live abroad. They have supported their country of birth in the past largely through remittances. Now successful emigrants are being asked to donate their knowledge to help boost development in their homeland.

Text Toni Keppeler

Carlos Campos is a common enough name in Honduras, and the 13-year-old who bore it was a boy like thousands of others in this Central American country – small, skinny and poor. As a child he worked in his parents' modest tailor's shop in the provincial town of El Progreso. He sewed trousers – and could have expected to do so for the rest of his life. Impoverished, hungry tailors are not just the stuff of European fairytales; they also exist

in Honduras. But Carlos Campos wanted something more from life.

Having left home at the age of 13, he made his way – illegally – to the USA. That was in 1986. 'I travelled to El Salvador, Guatemala and Mexico,' he reflects. 'I went from one city to the next, from one train to the next. Sometimes I didn't even know where I was exactly.' But his ambition was to get to New York – and after a few months he arrived and found work:

first in fast-food restaurants, then in a tailor's shop. He worked by day and studied at night.

25 years on, Carlos Campos still lives in New York. Today, he has his own design studio and around a dozen employees. He has won prizes as a designer and entrepreneur, he dresses pop stars such as Ricky Martin and produces work for some of the top fashion houses. 'But my raw material comes from Honduras,' he says with a smile. By that, of

◀ Fashion designer Carlos Campos made his career in the USA – now he is using his expertise to help his country of origin.

course, he means himself and his headstrong nature.

‘That’s just the sort of person we were looking for,’ says GIZ employee Jürgen Popp: ‘Honduran emigrants who have made something of their life abroad. Around ten per cent of the population of Honduras have emigrated, mostly to the USA. Their bank transfers account for 21% of GDP – a significant economic factor. But for Honduras Global, which receives support from GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), there is a richer prize.

It is easy to imagine all emigrants as being like Carlos Campos: penniless young men with little formal education, who have no prospects of employment at home and therefore set off to seek their fortune in the North. But this only applies to some. Honduras loses around one third of its young university graduates through migration. Many of these achieve the success abroad they could only dream of at home. These are the sort of successful ex-pat Hondurans the team at Honduras Global consciously set out to track down – and not just in the USA. The list of people they found includes the names of 130 Hondurans living in countries of the European Union, 17 of them in Germany.


In cooperation with the Honduran Ministry of Planning, the National Employers’ Association ANDI and the Salvador Moncada Foundation, Honduras Global invited twenty of these ex-pat Hondurans to front a campaign for a new idea: turning the ‘brain drain’ – the loss of the country’s best minds through emigration – into ‘brain gain’ – the repatriation and economic exploitation of knowledge acquired or deepened abroad. The most prominent of these intelligent minds is Sir Salvador Moncada, a physician and pharmacologist based in Britain, whose research

and teachings have made him one of the world’s most frequently quoted scientists. The foundation that bears his name promotes young Honduran colleagues both in his own and related subject areas.

Honduras Global has now created a framework in which such initiatives can be planned, funded, pooled and structured. It provides for lecture series, scholarship programmes and work experience in foreign countries. Ultimately, the initiators believe the concept could give rise within Honduras to something akin to excellence clusters, small centres of expertise that give a boost to the country’s development.

Honduras Global was set up in 2009. A coordination office is currently being developed. But the first steps were taken a while ago. Back in 2009, Carlos Campos returned to his native country to attend the first Honduran Fashion Week, bringing together designers, advertisers and the textile industry. Salvador Moncada gave a series of lectures for outstanding students. His foundation has set up a joint research project between the National Autonomous University of Honduras and the University of California, Los Angeles, in which young scientists are carrying out joint research into a specific variant of epilepsy prevalent in Honduras. Computer scientist Ed- »

HONDURAS



> COUNTRY INFORMATION

- Area in km²:** 112,492
- Capital:** Tegucigalpa
- Population:** approx. 8 million
- Population growth:** 2-3% per annum
- GDP 2010:** USD 15.34 billion
- Per capita income 2010:** USD 1,907

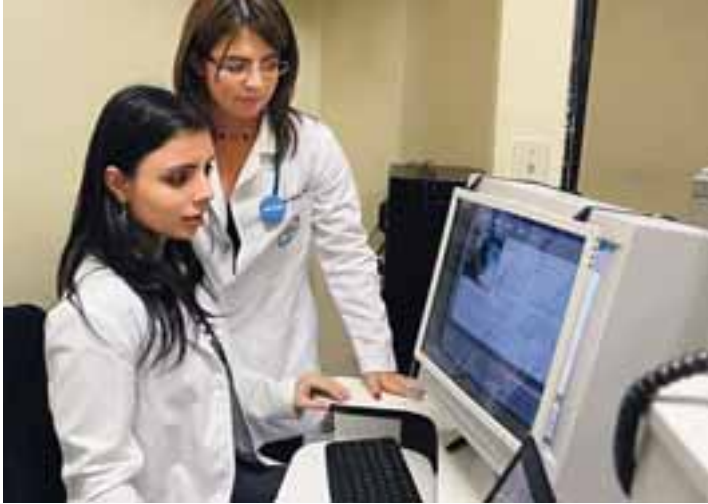
Source: German Federal Foreign Office

AT A GLANCE

- Honduras Global
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development
- **Partners:** Honduran Ministry of Planning, the National Employers’ Association ANDI, the private foundation ‘Fundación Salvador Moncada’
- **Term:** 2008 to 2012

From 2008 until 2010, GIZ helped a network of Honduran partner organisations persuade successful ex-pat Hondurans to put their knowledge to use in developing their country’s economy. The objective of Honduras Global is to promote science and technology in the country, to gear it more closely to practical applications and to strengthen the transfer of knowledge and technology. Key to the project is the close cooperation between science, technology and business. The advisory services provided by GIZ for 2011 and 2012 focus on developing a coordination office, ensuring financial sustainability, passing statutes and achieving legal recognition for Honduras Global as a foundation.

PHOTOS: BLANCA CHACÓN (36), TONI KEPPELER (36), MICHAEL SOFRONSKI (34)



Highly qualified emigrants: Around one third of young Hondurans with a university degree leave the country to find work abroad.

» INTERVIEW

'WE, TOO, CAN SUCCEED'



Fernando García, Head of the Honduran National Employers' Association, ANDI, is actively committed to the Honduras Global project.

Mr García, why did the employers' association ANDI get involved in a project like Honduras Global?

The issue of migration has always been important to us. As an employers' association there is little we can do to stop people leaving the country. Even our best talent has left. So we have to be realistic: they won't come back for good, but they can help us – and that's what Honduras Global is all about.

We're talking here about successful ex-pat Hondurans transferring knowledge back to their native country. How do you see this happening?

They can help us improve our education system and hold lectures, for example. They can set up scholarships, internships and partnerships, both in the academic field and in the private sector. They can boost innovation in the country. And above all they can give us encouragement.

What does that mean exactly?

We Hondurans have an issue with self-confidence. Ours is a poor country with many shortcomings. There is relatively little of which we can be proud. Our successful compatriots abroad can help show us that in spite of everything, we, too, can succeed. That is the spirit we need if we are to achieve economic development for our country.

win Hernández, who runs a test laboratory for mobile telephones in Miami and owns a corresponding patent, is working with the professional association for information technology in Honduras to look at ways of setting up a similar certification laboratory in Honduras.

Knowledge transfer, and perhaps also investment, are the operational benefits of the programme. However, according to Fernando García, leader of the Honduran employers' association, the psychological effect is equally important. 'We Hondurans have a serious problem with self-confidence. We don't believe in ourselves.' Successful Hondurans living abroad could play a part in changing that.

Carlos Campos wants Honduras to become a label in the fashion world: 'We can achieve the same quality and design aesthetic as Italian fashion.' Almost everything can be sourced locally: there is a textile industry, advertising and marketing specialists, photographers and models. Designers can be trained. All that is needed is to bring everything together. 'But I can't do it alone,' the self-made man admits. 'I need partners.' And Honduras Global is helping him find them. ■

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ROADS FOR LIBERIA

Even eight years after the end of the Liberian Civil War, the economic upturn is not yet visible in all parts of the country. One reason for this is the appalling state of the road network. A masterplan for transport development is set to change this situation.

Text and photos Thomas Vesper

The administrative district of Lofa County in the north-west of the country was once known as ‘The Breadbasket of Liberia’. In good years there are plentiful yields of fruit and vegetables, the rice harvests are abundant. The perfect platform, you would think, from which to supply parts of the country where food is chronically short. And yet that is not what happens. The catastrophic state of the roads makes transporting perishable goods in Liberia a risky

business. With a total road network of around 10,000 kilometres, only one third of the 1,800 kilometres of main roads connecting towns and cities are asphalted. Under circumstances such as these, the journey between Voinjama, Lofa County’s administrative capital, and the state capital Monrovia, 400 kilometres away, takes at least eight hours – assuming the trip can be undertaken at all. For during the rainy season the unmetalled laterite tracks are barely passa-

ble. And even in dry weather, truck drivers have to expect the worst. Vehicles regularly get stranded along the ‘highway’ pitted with potholes and perilously deep ruts. Some vehicles even tip over when drivers are forced into attempting hazardous manoeuvres. And then they can only look on helplessly as their cargo of food rots onboard their stranded truck.

‘The road network, which was severely damaged during the civil war and has been »

poorly maintained ever since, is a real obstacle to rapid economic growth, since at times whole parts of the country remain cut off from one another,' says Claudia Hermes, manager of a GIZ project carried out on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) which aims to develop capacity in the Liberian transport sector. 'That's why efforts to develop and expand the roads play such a key role in Liberia's poverty reduction strategy.' Now the Government in Monrovia is aiming to improve the situation in the long term with a national

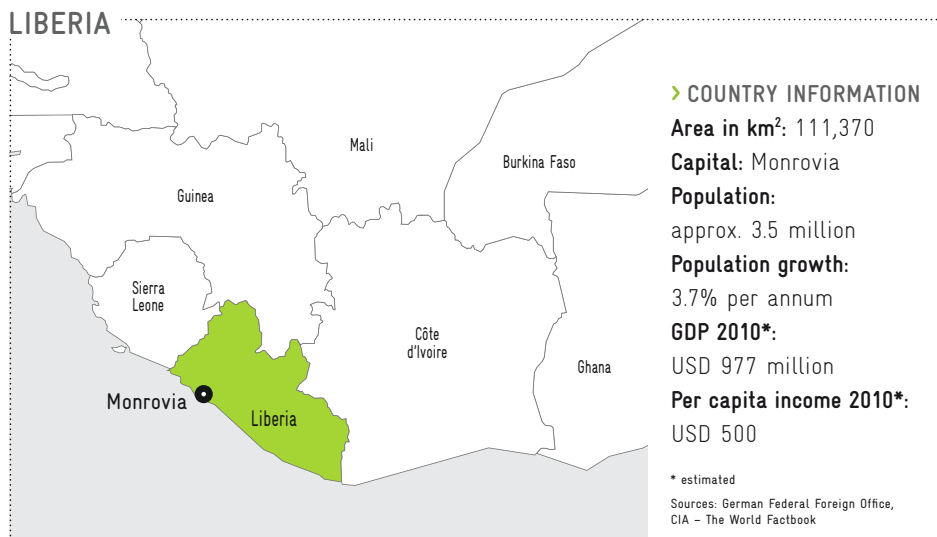
transport masterplan and progressive transport policy. Claudia Hermes and her team are providing advisory services to the people responsible for developing and implementing these strategies in the country. The masterplan also takes account of Liberia's rail, water and air connections. But since these play a significantly smaller role compared with road transport, priority has been given to improving the road network.

If we are to make well-laid plans for the future, we must first gain an accurate picture of how things look at present. For this reason, the

first stage, carried out in 2009/2010, was to establish the current state of Liberia's roads. This study looked not only at aspects such as hard core, potholes and asphaltting; the transport experts also examined the nature and intensity of road use. Following provision of advisory services by GIZ, employees from Liberia's Ministry of Transport conducted traffic censuses in various regions of the country – during both the rainy and dry seasons. They surveyed car and truck drivers, recorded traffic volumes on individual sections of road, counted passenger numbers per vehicle and noted what cargoes were being sent where and for what purpose. In this way they were able to discover not only the shortcomings in infrastructure and the probable volume of investment required, but also the high economic value of individual road links – and therefore which stretches should be prioritised for renovation.

Lack of home-grown expertise

But in truth the entire road network is in need of comprehensive repair. Now complete, the masterplan recommends the repair and restoration of 1,500 kilometres of main roads outside Monrovia within the next five years, rendering them suitable for use in all weathers. Since the investment costs for this are extremely high – too great for Liberia to shoulder alone – the assistance of international partners such as the World Bank, EU and others is still required. Then comes the Herculean task of implementing the measures. The body responsible is the Ministry of Public Works, for whom the current shortage of skilled workers represents the biggest problem. GIZ is providing support in the form of training measures, but the demand is enormous. 'Although we have our own building contractors, we lack the required know-how,' says Edsel Smith, the man in charge of the ministry's technical services. Edsel Smith worked for 25 years in Germany and Sweden before returning home to take up a post in Liberia's Senior Executive Service programme. Chinese companies are currently renewing roads in the greater Monrovia area. But this will soon change. As part of the transport sector project,



AT A GLANCE

- Capacity development in the transport sector, Liberia
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development
- **Lead executing agency:** Ministry of Planning and Economic Affairs
- **Term:** 2008 to 2011

GIZ is advising the Liberian Government on the development of a transport masterplan and progressive transport policy, the creation of a planning and budgeting system for road maintenance, and the initiation and institutionalisation of specialist knowledge exchange at regional and international level.

A key component is the training of local experts.

In addition, GIZ supports the Senior Executive Service (SES). Nearly 100 Liberians previously living abroad or active in the private sector have taken part in this programme since 2009, using their expertise to help develop public administration bodies. The project also promotes initial contacts between German and Liberian construction firms and training measures for Liberian private companies.

links have been developed with representatives of German construction groups and firms in the building industry. Some of these have now visited Liberia and sounded out business opportunities. Their conclusions give reason for optimism, both in terms of the infrastructure and the labour market, since construction experts agree there is mileage to be had from an involvement in the country that not only facilitates the participation of local firms, but also trains and employs local workers.

Safety in passenger transport

Improved roads should also have a positive influence on the quality of passenger transport – a pressing need, since it is currently anything but user-friendly. The picture is one of exorbitant fares, hopelessly overcrowded vehicles, inadequate safety standards and general unreliability. Public passenger transport is restricted to the greater Monrovia area, with its 1.2 million inhabitants, and mostly consists of taxis and a few buses. For cross-country journeys, passengers have to rely on the ‘penpen’ – commercial motorcycle operations where riders often don’t even have a driving licence. Last year, the GIZ team worked with local partners to set up road safety training for these motorcyclists. A test at the end of the training sessions not only enabled participants to prove their newly acquired skills: for 200 it was also an opportunity to pass their driving licence for the first time.

Progress may be slow, but things are moving forwards on Liberia’s roads. Safe and reliable connections may remain a distant dream for the inhabitants of Lofa County and other regions. But now at least they have the prospect of seeing essential work get underway in the foreseeable future – enabling them to transport their agricultural produce more easily to other parts of the country and import the goods they require for everyday living. ■

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❶ Many railway lines in Liberia have lain abandoned since the civil war. A few sections of track are now being reopened – mainly for the transportation of raw materials from the country’s interior to the coast.

❷ Only a fraction of Liberia’s road network is asphalted. ❸ Overcrowded, expensive, unreliable – public passenger transport leaves much to be desired and is only available in the capital.





Susannah Kelly has been secretary at GIZ's Lake Chad project for two years.

OUT AND ABOUT

A WOMAN WITH OBJECTIVES

I HAD BEEN SCHEDULED to meet Susannah Kelly that afternoon, but then the telephone rang: 'Can we postpone our meeting until tomorrow? My three-year-old daughter has malaria; I have to take her to hospital.' The following morning I visit her in the cramped offices of the Sustainable Water Resources Management for Lake Chad project at N'Djamena, the capital of Chad. Her daughter is showing signs of improvement, the mother of two is relieved - her colleagues too. For without Susannah everything here would grind to a standstill. She looks after the correspondence, schedules meetings, does the accounts... She has been working for GIZ for eight years, the last two as secretary to the Lake Chad project. 'When I was a child, the lake still covered an area of 25,000 square kilometres; now it's just 2,000 square kilometres. The lake is drying up. Our project, carried out on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), is looking at the causes of this and what we can do to prevent it,' Kelly explains. Alongside her work, the 32-year-old also finds time to pursue a distance learning course in management at a Paris university - a working day that leaves her with little time for much else. And although she is happy in her work and studies, the Chadian still dreams of an entirely different career - as an author of short stories.

Philipp Hedemann visited Susannah Kelly in N'Djamena.



10.8 million people live in the central African Republic of Chad. In the north, the Sahara accounts for around one half of the country's land area - Lake Chad is the largest inland body of water.



Susannah Kelly shows Philipp Hedemann how small Lake Chad has become.

ONE QUESTION, FIVE PEOPLE

WHAT INSPIRES YOU?

Working at GIZ can lead to some remarkable experiences. Five GIZ members of staff explain what inspires them most.

1

DORIS KOLL is responsible for materials and equipment procurement and committed to sustainability issues.



'Our success in protecting the environment'

I am responsible for procuring office materials, among other things. So environmental protection is very important to me. In 2010 we won an award from B.A.U.M. e.V., the German Environmental Management Association. This success inspired me to carry on what I was doing.

OLIVER ELFERT is a member of staff in the Budget and Accounting division.



'Chance encounters and impressions'

Sometimes inspiration is a bit like love. If you search for it too hard, you won't find it. That's why I like to hit upon new ideas randomly or by chance.

2

3

ISOLDE HEINZ is responsible for BMWi's Manager Training Programme.



'Managers from Russia and Ukraine'

Discussions with partners and former programme participants in Russia and Ukraine regularly inspire me to introduce new themes and formats into the Manager Training Programme of the German Federal Ministry of Economics and Technology (BMWi).

ROMY STANZEL works for the Civil Peace Service (CPS) – initially based in Guatemala, now in Bonn.



'The partners and peace experts at the Civil Peace Service, CPS'

Because they have the courage to pursue peace policy initiatives in an often hostile and degrading environment and to practise constructive conflict transformation through approaches based on respect and a commitment to finding solutions.

4

5

ULRICH MOHR is Country Director in Addis Ababa, Ethiopia.



'The Ethiopian Minister Tefera Waluwa'

I am inspired by the diligent and conscientious manner in which Ethiopia's former Minister for Capacity Building, Tefera Waluwa, chairs the Evaluation Meetings of the Programme for Sustainable Economic Development. He is always well-prepared and discerning and asks constructive questions.

EUNIDA – NETWORK FOR DEVELOPMENT

EUNIDA, the European Network of Implementing Development Agencies, has been coordinating the various European implementing organisations for international cooperation for over ten years. The common objective in its activities on behalf of the European Commission is to make a rapid and effective contribution to sustainable development.

Text Holger Thomsen

The Lisbon Treaty gave the European Union (EU) added weight on the international stage. In the person of Catherine Ashton it now has a High Representative for Foreign Affairs and Security Policy and it is currently developing its presence abroad and in overseas EU delegations. At the same time, expectations on the part of the international community concerning EU development cooperation have risen.

EU is number one donor worldwide

Adding together the EU's own funding and the national contributions of EU member states, the European Union is today by some distance the leading donor of development aid worldwide. The EU promotes democracy and human rights, provides aid for reconstruction in the aftermath of natural disasters, supports

its neighbour states to the East and South with economic and legal reforms and plays an active role in many other areas.

There are various ways in which the EU can provide its partner countries with support. It can take part in existing development measures of the member states, provide funding to international aid funds, or contract service providers of its own. Based in Brussels and set up in 2000 by the national implementing organisations for international cooperation in Europe, EUNIDA, the European Network of Implementing Development Agencies, is one such service provider and offers the European Commission flexible and uncomplicated access to the expertise and experience of its members.

EUNIDA ensures that European funding is recognisable as such throughout all the implementation phases of EU development

measures. This is an important factor when it comes to awarding contracts to the network.

Lean structures, maximum impact

The network has now grown to eleven full members, each representing a different EU member state. Jürgen Dierlmaier, director of GIZ's Brussels Office and currently president of EUNIDA, explains: 'We deliberately avoided creating our own costly structures. Instead we rely on the experience of our members and on their presence in over 130 countries worldwide.'

The network is coordinated from its Brussels-based secretariat, where commissions from the EU are centrally received. The secretariat then selects the member organisation with the right combination of sectoral and regional skills to best implement a specific



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project. In this way, the network can provide complex services which a member would have difficulty achieving on its own.

EUNIDA benefits from the fact that, in their home countries, all network members are either public organisations or organisations with a public mandate. This means they have very close links with state and private actors in their respective countries of origin. In addition, the alliance can also be contracted directly by the European Commission and is therefore capable of intervening at very short notice. This has proved particularly valuable for interventions in fragile states and post-crisis situations.

The range of activities is wide. On behalf of the European Commission, for example, the network is supporting the creation of a migration centre in Mali. European experts have been sent to Bamako, where they are »

LEBANON

- Improving the management of forensic investigations
- **Commissioned by:** European Commission
- **Term:** 2007 to 2009

EUNIDA supported the Lebanese Government in implementing standards in the police and judicial system consistent with the rule of law, while paying particular attention to respect for civil rights. The police and judiciary were trained in forensic and investigative procedures and received training on crime-scene evidence-gathering. Thanks to its close links with the state institutions of EU member states, EUNIDA was able to mobilise the skills of European forensic experts as and when required.

HAITI

- Governance and Capacity Building
- **Commissioned by:** European Commission
- **Overall term:** 2007 to 2011

Haiti is currently in the process of reforming its administration, with 18 European experts having been deployed in the country to support this process through technical assistance. EUNIDA's contribution has focused on the development of a national statistical programme and a set of indicators to measure progress, the promotion of the National Strategy for Growth and Poverty Reduction, and a programme to decentralise Haiti's administration. Although the earthquake in 2010 temporarily disrupted project implementation, the provision of in-country assistance is now back on track.

helping the centre's staff to develop and implement Mali's migration policy and put in place an efficient administration unit at the migration centre. The organisation with overall responsibility for the network is the Belgian Development Agency (BTC), with five other member organisations also playing a role. The project is financed by the European Development Fund. Another example of the type of activity undertaken by the network was the secondment of a team of experts to the Gaza Strip from 2006 to 2008, an intervention financed by the EU using funds from the Temporary International Mechanism (TIM) for the Palestinian people. The experts helped to maintain the health system and ensure continued delivery of essential public services. GTZ, as it was then known, played the lead role. With both interventions, a great deal

of emphasis was given to making clear – at local level in particular – that these were European support measures.

The aim of EUNIDA in the years ahead is to continue to grow and diversify its own portfolio. The prospects for this are good, not least because in 2010 two new full members joined the network – CPMA (Lithuania) and HUN-IDA (Hungary) – and added their experience to the mix. ■

www.eunida.eu



» INTERVIEW

'OUR STRENGTH LIES IN THE EUROPEAN APPROACH'



Laura Boschi is responsible for contact with the European Commission at EUNIDA's Brussels secretariat.

How does EUNIDA receive its contracts?
We are contracted by the European Commission directly. In other words, we don't go through a tender process. When a contract comes in, we usually have to mobilise the resources of our members very quickly.

What criteria are used to decide who takes part in implementation?
The Board of Directors of EUNIDA se-

lects the lead organisation and implementation partners from a list of members who have expressed their interest. Our members are required to give evidence of their relevant expertise, experience and structures in the partner country. This enables us to react quickly and transparently and to put together an efficient team best suited to the needs of the client.

What are likely to be the priority areas of your work in the years ahead?
In the last few years we have focused mainly on security sector reform, migration, good governance and mediating state partnerships. Thanks to the close ties our members have with the government and institutions in their home countries, the last of these has always been one of our strengths. But our aim is to evolve with the demands of our client and broaden our range

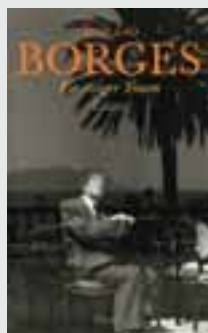
of services in future. If we consider the competences of our different members in their entirety, there is virtually no area of international cooperation in which we cannot provide services.

What are the arguments in favour of involving EUNIDA?
Our strength lies in the European approach and our strong links with state and private actors. In politically sensitive assignments and crisis situations, in particular, we have the advantage of being able to access existing structures in the partner countries through our members. In addition, we are able to ensure that the European character of the missions is preserved.

Interview: Holger Thomsen

RECOMMENDED READING

NEW LITERATURE FROM ALL OVER THE WORLD



'I HOPE the years will bring us the auspicious annihilation of Adolf Hitler,' wrote Jorge Luis Borges in 1939. Selected essays by the great Argentine writer – an oblique chronicle of the last century.

Andreas Fanizadeh, culture editor, tageszeitung (taz)

Jorge Luis Borges: Ein ewiger Traum. Compiled and translated from the Spanish and English by Gisbert Haefs. Published by Carl Hanser Verlag. ISBN: 978-3-446-23547-2



THIS IS A highly competent novel about food and drink, about cooking and the things we eat. Even though the author tells the story from an atavistic perspective, she does so in a highly sophisticated way. A seemingly light read,

though of characteristically high aesthetic calibre, the work carries the reader towards a deeply dark dénouement. A surprising little novel.

Thomas Wörtche, writer and critic

Kyung-Ran Jo: Tongue. Translated from the Korean by Chi-Young Kim. Published by Bloomsbury Publishing PLC. ISBN: 978-1596916517



SOMEONE SEEMS TO have put a curse on the Gwanganara family. Or is it that the descendants of their tribal father, who as a huntsman sought contact with spirits, have gradually lost contact to their ancestors? Set against

170 years of Zimbabwean history, Chinodya's story, a work of dense imagery and revealing detail, paints a portrait of the difficult transition of a traditional society into the modern age.

Claudia Kramatschek, journalist

Shimmer Chinodya: Strife. Published by Weaver Press. ISBN: 978-1779220585

👉 www.litprom.de litprom – the Society for the Promotion of African, Asian and Latin American Literature – provided the reviews for akzente. The titles were selected from litprom's 'Weltempfänger' list of best new novels.

GIZ PUBLICATIONS

These current publications can be downloaded or ordered on the Internet free of charge.

👉 www.giz.de/publications



Umwelt - Politik - Beratung. Ein Orientierungsrahmen für die Internationale Zusammenarbeit. Axel Olearius, Kirsten Probst, Nana Künkel, Stephan Paulus, Klaus Jacob. Available in German.



Expert Meeting. Social cohesion: A way forward? A summary report. Contribution to the OECD's Perspectives on Global Development 2011. Available in English.



Sourcebook on Sustainable Agrobiodiversity Management. Annette von Lossau, Qingsong Li. Available in English and Chinese.



Bringing the UNCCD down to earth. Practical lessons learned in the context of German development cooperation in Central America and the Caribbean. Available in English and Spanish.



Zwischen Hörsaal und Projekt. Available in German.



Staff Benda Bilili sing about everyday life in Kinshasa, the capital of the Democratic Republic of the Congo.

AFRO GROOVES AT THE RHEINGAU MUSIC FESTIVAL

MUSIC They move around the stage on home-made wheelchairs – and with homemade instruments create a sound that is quite unique: Staff Benda Bililia is without doubt one of the most unusual bands to feature at the 2011 Rheingau Music Festival. The concert by the Congolese artists, which takes place at the Phoenix-Halle in Mainz on 11 August, is sponsored by GIZ.

Staff Benda Bilili caused a sensation with the release of their debut album 'Très Très Fort'

in 2009. The band's music fuses elements of rumba, funk and blues, but still remains very much true to its roots. Polio and creativity are what link the six musicians. And 'Benda Bilili' – 'making the invisible visible' – is also their motto. For in their songs which depict everyday life in the capital Kinshasa, the band members see themselves as journalists and street troubadours.

The Rheingau Music Festival has been drawing audiences from the Frankfurt, Wiesba-

den and Lorch region since 1987. The annual summer festival now features a high-quality programme of around 150 concerts at over 40 venues.

.....
Concert: 11 August 2011, 8:00 pm

Venue: Phoenix-Halle,
Hauptstraße 17-19, D-55120 Mainz

Ticket reservations:
www.rheingau-musik-festival.de

PREVIEW

akzente 03/2011 issue

TOWN AND COUNTRY In many countries, there is a striking gap in development between urban centres and rural regions. Many people move to urban conurbations in an attempt to flee poverty, but often find it hard to make a living there too. On the other hand, urban dwellers depend on there being enough rural inhabitants to work the land and secure their food supply. Large cities often dominate the entire country at the political, economic, social and cultural level, leaving rural areas behind. How can these interests be reconciled and rural regions be given a share in the country's overall development? akzente seeks answers to these questions in GIZ-assisted development projects.



PHOTOS: RENAUD BARRETT, GIZ/MUNIR ZADRAN

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Holger Thomsen works at the Brussels Office of GIZ's Corporate Communications Unit. For this issue, he wrote about EUNIDA.



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Karin Vogelsberg is a freelance journalist based in Dresden. For akzente she illustrated the GIZ Spotlight of the Year 2011, 'Responsible economic action.'



Dirk Ostermeier is a freelance photographer. For this issue of akzente he contributed the portrait of Marlehn Thieme.

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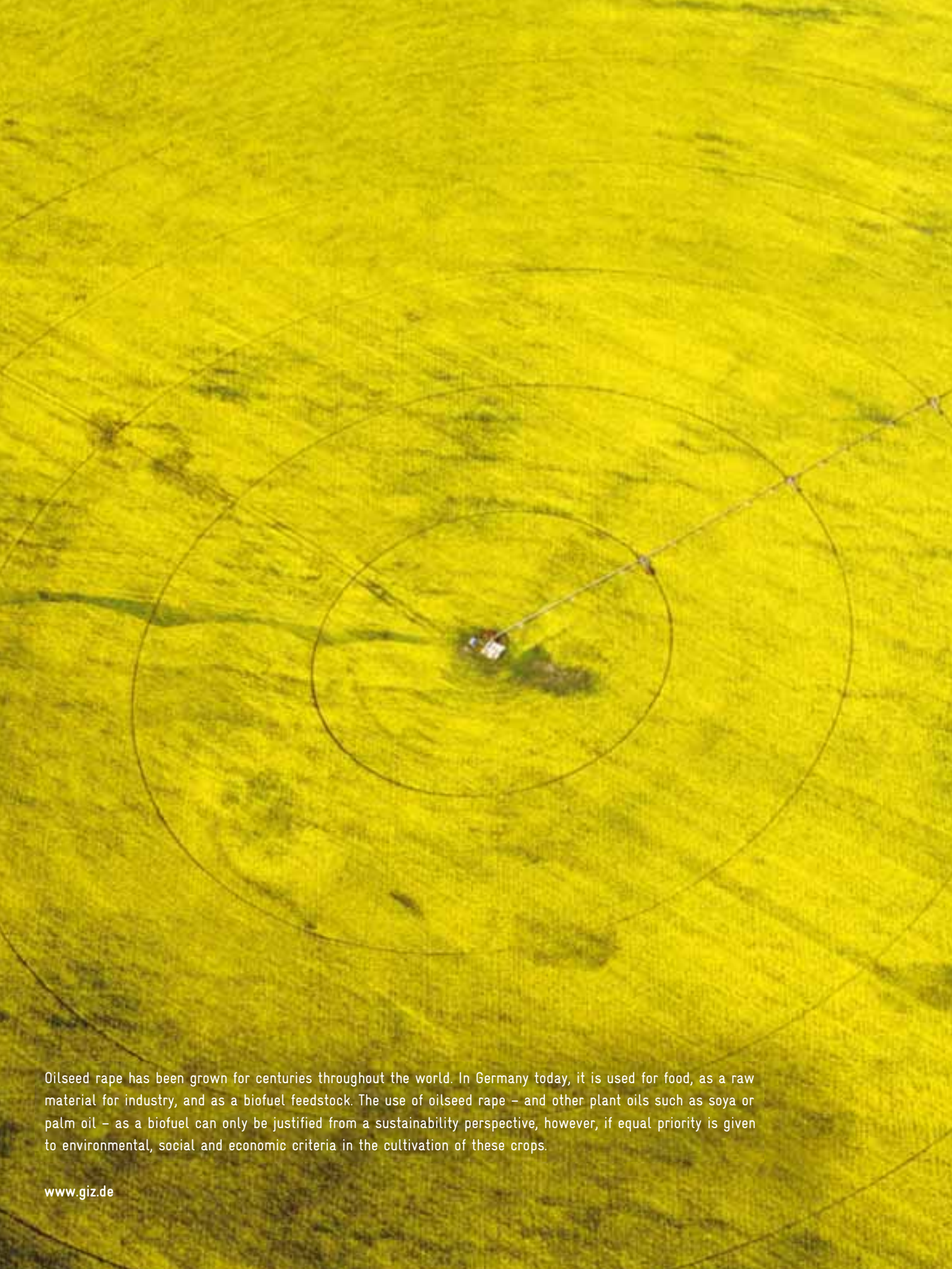
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Oilseed rape has been grown for centuries throughout the world. In Germany today, it is used for food, as a raw material for industry, and as a biofuel feedstock. The use of oilseed rape – and other plant oils such as soya or palm oil – as a biofuel can only be justified from a sustainability perspective, however, if equal priority is given to environmental, social and economic criteria in the cultivation of these crops.