



The development of São Paulo exemplifies the global trend towards urbanisation. In 1950, the Brazilian city had a population of around 2.3 million people within its metropolitan area. Today it is a megacity almost nine times the size. With 20 million inhabitants, it is surpassed only by Tokyo and Delhi. But such rapid growth has brought problems – in spite of great improvements in recent years, poverty, crime and environmental pollution remain major issues.

GIZ magazine

akzente

Crossing the urban-rural divide

An integrated approach to regional development

OTHER TOPICS:

Senegal: A German wind power company brings electricity to remote villages

Saudi Arabia: Organic farming in the desert

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Zusammenarbeit (GIZ) GmbH



Dorothee Hutter,
Director of Corporate Communications

Dear reader,

The German Federal Ministry for Economic Cooperation and Development this year celebrates its fiftieth anniversary. GIZ has been a close and innovative partner of the ministry for many years, taking on major global challenges, building reliable partnerships in Germany's partner countries and achieving tangible development success worldwide. You can read more about the history, work and future plans of our main commissioning party in a contribution by Federal Minister Dirk Niebel.

In this issue of *akzente* we focus on urban and rural development. As the world's cities continue to expand, more and more people are abandoning the countryside. But rural regions are also turning this phenomenon to their advantage. The relationship between cities and the countryside is complex, and where development measures in rural and urban areas are concerned one should not assume the two are diametrically opposed. The IN FOCUS section looks at how GIZ approaches its responsibilities and opportunities in this area.

GIZ joined the Global Compact (GC) in 2004. Since then it has been implementing the GC principles of responsible corporate governance in its business operations and reporting regularly on activities and results. The Global Compact is a UN business initiative that offers companies a platform for dialogue and helps them to establish socially and ecologically responsible corporate governance. This issue of *akzente* explains what exactly this involves. We also report from regions where GIZ is operational – from South Sudan, the most recent addition to the list of world states, to Saudi Arabia and Senegal. The spectrum of services offered is broad and diverse.

I hope this issue provides you with informative and absorbing reading.

A handwritten signature in blue ink that reads "Dorothee Hutter".

Dorothee Hutter



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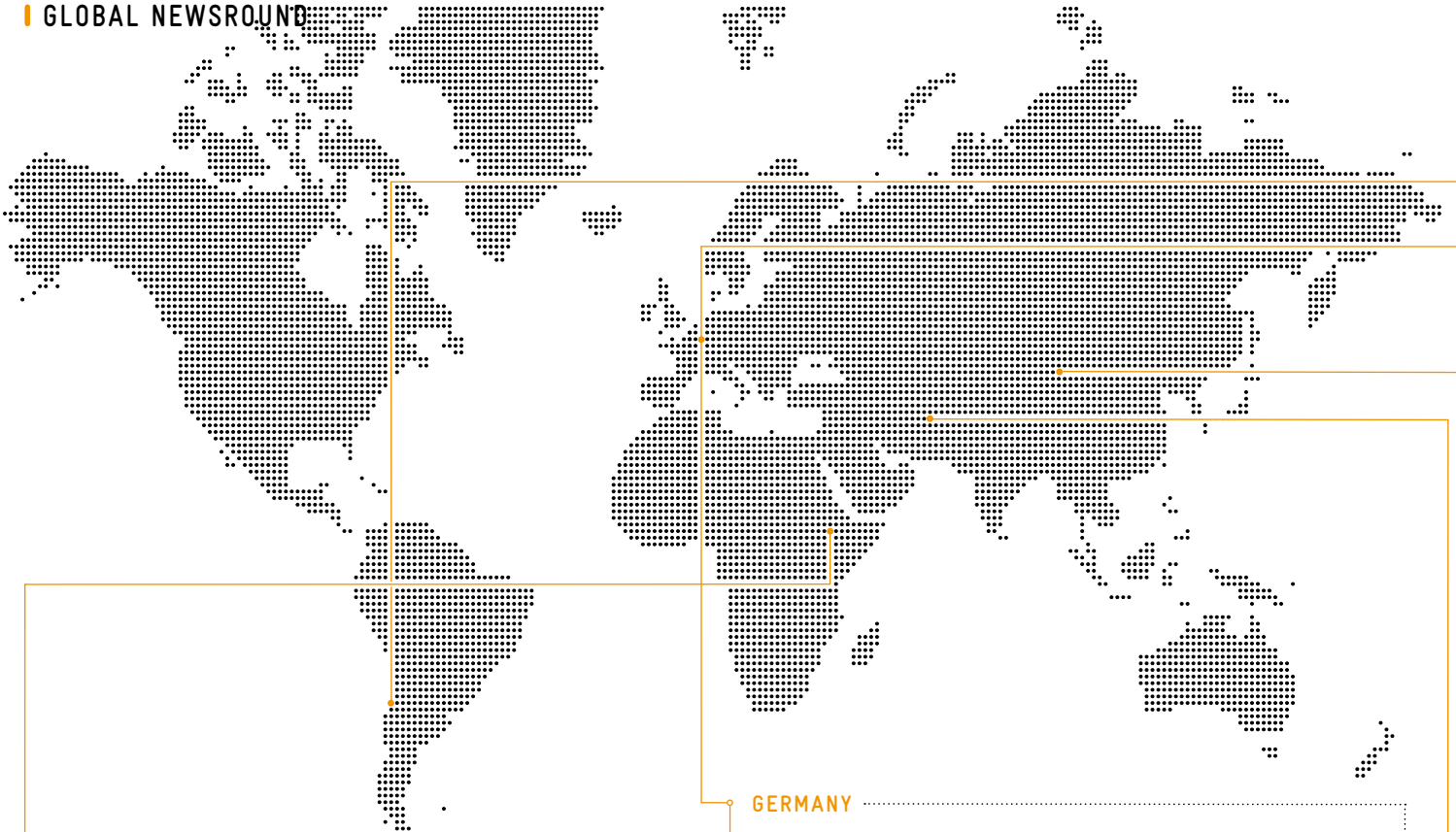
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ETHIOPIA

New building for the African Union

In order to discharge its responsibilities, the African Union's Peace and Security Department requires a new head office that meets modern standards. The German Federal Foreign Office is providing EUR 26.5 million to finance the new building in the Ethiopian capital, Addis Ababa. GIZ International Services (IS) is responsible for managing the building project and technical supervision. 'The new building will provide office space for 360 employees, a large plenary hall for the Peace and Security Council, as well as a library and tap-proof conference rooms,' explained Martin Hansen, Executive Director of GIZ IS in Ethiopia. The head office should be ready for occupancy by late 2012. All construction work will be carried out by Ethiopian companies. 'The fact that there are now enough national construction companies capable of taking on such a challenging commission is further proof of the impact of our activities,' says Hansen.



Model for the new African Union building in Addis Ababa.

GERMANY

Eschborn Dialogue 2011



450 guests from the worlds of politics, industry and civil society met in Eschborn on 21 and 22 June 2011 to discuss the opportunities and challenges inherent in a shift towards a more sustainable economy. Given the impact of climate change and dwindling natural resources, the need for a viable economic and social model is more pressing than ever. Participants exchanged ideas on practical approaches and future-proof models at the event, which was held under the banner of 'Responsible economic action – sustainable development: New ways forward for national economies?' Discussions focused in particular on how best to reconcile resource efficiency and environmental and climate protection with economic growth and social development.

GERMANY

Integrated and networked worldwide

At an official reception to mark its 30th anniversary, the Centre for International Migration and Development (CIM), a joint operation of GIZ and the Federal Employment Agency, turned its focus to the future. Federal Minister Dirk Niebel was among the well-wishers at the GIZ Representation in Berlin. 'CIM's integrated and returning experts have become indispensable both for us and for our partners,' said Niebel in his speech, before going on to make the promise: 'CIM will continue to play an important role for GIZ in future.'

PHOTOS: GIZ, PAUL HAHN, NIAZ AZIZI

GERMANY

Cooperation with the Bundeswehr

General Volker Wieker, Chief of Staff of the Bundeswehr (German Armed Forces), and GIZ Managing Director Christoph Beier met in Berlin on 7 June to sign an agreement regulating the collaboration between the Bundeswehr and GIZ in the context of peace building and stabilisation measures in partner countries. The agreement provides an even better, institutionalised framework for what is already a well-established partnership. Increasingly, GIZ is working in fragile states, where development and security issues go hand in hand. This agreement creates an even stronger basis for concrete and constructive collaboration at implementation level,' said Beier. As in the past, this involves GIZ taking on the management of Bundeswehr construction projects and facilities on the ground. Cooperation is also envisaged in the provision of country familiarisation training to prepare soldiers for international deployment. In return, GIZ will be allowed to make greater use of the Bundeswehr's infrastructure.



Volker Wieker and Christoph Beier sign the cooperation agreement between the Bundeswehr and GIZ.

ASIA

Grants for study tours in Asia

For over 15 years, GIZ has been offering young people the opportunity to undertake a six-month internship in one of eight Asian countries (China, India, Indonesia, Japan, Malaysia, South Korea, Taiwan and Viet Nam). For 2012 the scheme is offering around 50 places. Preparation for the internships includes language courses both in Germany and the destination country, as well as intercultural seminars. With funding provided by the Heinz Nixdorf Foundation, participants also receive a grant towards their living costs. Anyone interested and in possession of a university degree in technology or business should apply online to the Heinz Nixdorf Programme by 30 September 2011.

CHILE

Solar power for Calama

Northern Chile is one of the sunniest places on earth. On behalf of the Federal Ministry for Economic Cooperation and Development, GIZ collaborated with the Steinbeis-Transferzentrum to assess the suitability of roofs in the city of Calama for the installation of solar systems. The results of the measurement flights using a 3D laser scanner are now stored in Latin America's first solar roof cadastre and can be accessed free of charge by any citizen at the website of Chile's Ministry of Energy (www.minenergia.cl). People can use this information to decide whether they want to use photovoltaics to generate electricity or use solar thermal panels to heat water. If equipped with solar systems, just eight per cent of the available roof area could generate enough electricity to supply every private household in Calama.

AFGHANISTAN

Practical training

The first 52 graduates of the Vocational Training Center (VTC) run by GIZ in northern Afghanistan officially completed their two-year training at a ceremony in Mazar-i-Sharif on 17 April. In 2008, the German Development Service (DED) – now GIZ since the merger with GTZ and InWEnt on 1 January 2011 – began developing three training centres in Faizabad, Kunduz and Mazar-i-Sharif on behalf of the German Federal Foreign Office. The market-oriented centres provide training with a high degree of practical relevance. And their success is self-evident: more than ten of the newly certified motor mechanics have already found employment.



Shortage of skilled workers in Afghanistan

ELECTRICITY FOR SENEGAL

A German micro-energy provider, a Senegalese-German development programme and a committed village community in Senegal have brought electricity to the remote village of Sine Moussa Abdou. They are even winning international awards for their innovative business model.

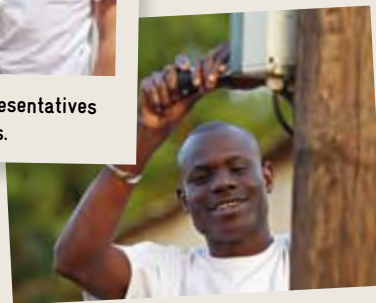
Text Gabriele Rzepka



Electricity is now providing light in the streets of Sine Moussa Abdou.



Experts and village representatives negotiate on equal terms.



A key part of the work involves training technicians.

Everywhere you look there are circuit boards, rolls of cable, control units, modulators and devices to measure wind speed. INENSUS GmbH operates on the premises of the Energie-Forschungszentrum Niedersachsen, an energy research institute based in Goslar, Lower Saxony. It is here in Germany's Harz mountains, where the towns and villages still have traditional cobblestone streets and the houses timber frames and slate roofs, that it all happens. In the production halls, everything revolves around energy – wind energy in particular. Nico Peterschmidt, Holger Peters and Jakob Schmidt-Reindahl got their idea following a student project on wind farms for developing countries; by 2005 their vague concept had taken on a more concrete form

and after graduation, the three set up their own company specialising in products and services for small wind turbines. Before long they had gained a firm footing on the European market.

CONNECTION TO THE OUTSIDE WORLD

From the outset the company was also committed to Africa. The three entrepreneurs worked on island grids, so called because they are not connected to the public electricity grid. These grids function entirely independently and are hence invaluable in providing energy to rural regions. The systems are only expected to generate a few kilowatts, just enough to supply outlying villages with electricity. 'What interests us is the interface between technology and a functioning business model at village level,' says Nico Peterschmidt of his company's concept. In 2007, an opportunity arose for INENSUS to get involved in Senegal. During a business trip financed by the German Federal Ministry of Economics and Technology and organised by GIZ, they developed contacts with the Senegalese company Matforce, which was looking to expand its product range, previously limited »

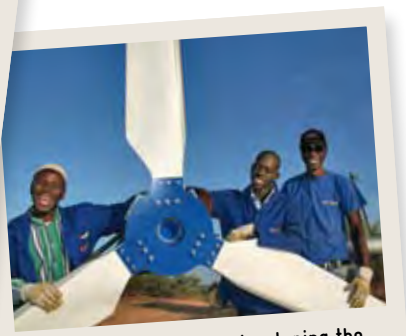




Senegal's first power station uses a mix of solar and wind power.



Customised technology, robust design: the village generator.



Proud to have a hand in developing the micro power station.

to diesel generators, to include renewable energies. In 2008, INENSUS and Matforce set up the joint venture INENSUS West Africa S.A.R.L. Rural electrification was also top of the list of priorities of the GIZ programme to promote renewable energies and rural electrification, which has been implemented in Senegal since 2003 on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

So what better opportunity than to sign up to a development partnership and get on with the job. As a first step the partners wanted to demonstrate what was achievable in a model village. They started by taking wind measurements. Socioeconomic studies followed. Then the choice fell on Sine Moussa Abdou in the west of Senegal as the model village. Just 900 people live here, 70 families in all, with lighting provided by kerosene lamps and candles, a mill powered by an ancient diesel unit and a tailor who operated his sewing machine with a treadle.

By 2010, just three years after the launch of the partnership, the engineers were able to connect a mini power plant to the grid, with electricity generated from the wind, sun and – at peak times – a diesel generator. The operator was INENSUS West Africa; the business model bore the name MicroPowerEconomy. For Sine Moussa Abdou, it was the dawn of a new era: with his electric sewing machine, the tailor can now earn six times his previous income, the school has bought a computer, a group of women are planning to open a village shop with a refrigerator and it is hoped the village will soon see the arrival of the internet. Electricity supply to the remote village is reliable and much more secure than in the towns and cities, where power outages are an almost daily occurrence.

Connection to the rest of the world comes at a price, however, as the villagers are well aware. For as Nico Peterschmidt explains, MicroPowerEconomy is a profit-oriented business: 'We developed this model and hope to see it become one of our main business segments. Our objective is to earn money in Senegal as an energy provider. The return rate for our investors is between 10 and 15%. What makes this possible is the economic development at village level that results from electrification.' Although return on venture capital investment is low, it is still almost twice that of many European electricity providers.

SUCCESSFUL AND AWARD-WINNING

The international response to the community project implemented by INENSUS and GIZ has been overwhelming. In March 2011, it won the Innovation Prize for Climate and Environment in the Technology Transfer category, awarded by the German Federal Environment Ministry and the Federation of German Industries (BDI). INENSUS also received the SEED Award (SEED standing for 'Supporting entrepreneurs for sustainable development'), which recognises the work of young entrepreneurs committed to environmental protection and sustainable development. The SEED initiative was launched in 2002 by several UN organisations and the International Union for Conservation of Nature (IUCN) at the World Summit on Sustainable Development in Johannesburg. So what is the secret ingredient that has made this idea a success? Certainly it is not the technology alone. The secret lies in the MicroPowerEconomy operating model. Many attempts to electrify the world's poorer rural

regions have failed – for a variety of reasons. Often it is because subsidy levels are high when the initial construction investment is made. Then, as the demand for energy rises the investors are no longer able to operate at the subsidised energy price. Other problems

include irregular payment behaviour on the part of customers and energy theft. Based on such observations, Peterschmidt defines the basis on which the MicroPowerEconomy concept operates: 'We break down the energy business to village level. That means we have to face our competitors at village level – the villagers have to want our model and organise themselves accordingly. The idea is to use this access to energy to generate growth in the village economy. So we also need to bring on board a microfinance organisation. We only invest under these conditions.'

The MicroPowerEconomy business model is persuasive. Forty per cent of total investment comes from international donors, in this case the BMZ-financed Programme to Promote Renewable Energies and Rural Electrification. This funding enables INENSUS to finance fixed grid components such as buildings, electricity pylons and cables. Ownership of these is transferred to the village community. The remaining 60% is paid by an investor, INENSUS in the case of Sine Moussa Abdou, who owns the movable components such as solar panels, wind turbines and batteries. Before any such project gets off the ground, the villagers form a village energy committee. 'We meet with the villagers on equal terms,' says Peterschmidt. INENSUS negotiates with the energy committee and provides one villager with the electrical training necessary to keep the grid running. The negotiations also result in a contract between the village committee and INENSUS, stipulating the price of electricity and volume of energy to be supplied. Contracts run for a period of six months. Thereafter the villagers can either renegotiate the contract or choose a different operator.

PHOTOS: GIZ/SANDY HAESSNER (6, 7, 8); INENSUS (7); GIZ/GUNNAR WEGNER (8)

One of the keys to the model's success is the degree of planning security for both operator and energy consumers. Both partners know how much electricity is required over a six-month period, who the customer is and who is paying. Each family commits to how much energy they require per week and buys the requisite amount of credit on a prepaid card. Should they require additional electricity for a special occasion, for example, this can be bought in the form of 'extra energy'. As this comes from a diesel generator rather than renewable sources, it is more expensive. The engineers from Goslar have even dealt with the problem of electricity theft in Sine Moussa Abdou, where installations are equipped with the company's so-called smart meter. Each of these boxes, the size of two handspans, checks the prepaid cards of three households, is securely sealed and has a transparent lid. Anyone trying to defraud the system merely steals his neighbours' electricity, which is detected immediately.

MARKET-DRIVEN AND SUSTAINABLE

The business model is attracting increasing support. The three entrepreneurs have been promised public funding from the Dutch Daey Ouwens Fund to electrify 30 more villages with a total population of 30,000. The three will also take out an additional loan from the Dutch development bank in order to finance the private investment – the movable components of the micro power plants. And the idea is increasingly attracting the interest of private investors as well as international donors. Peter-schmidt is confident: 'We have to offer our complete package at a competitive price and sell it in large numbers. We keep the margins low because we know our profits have to be paid by the villagers. Nevertheless, our model is commercial, market-driven and for that reason sustainable.' ■

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SENEGAL



> COUNTRY STATISTICS

Area in km²: 196,712
Capital: Dakar
Population: approx. 12.5 Mio.
Population growth: 2.6% per annum
GDP 2010: EUR 9.6 billion
Per capita income 2010: EUR 790

Source: Federal Foreign Office (AA)

AT A GLANCE

- Programme to Promote Renewable Energies and Rural Electrification
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Partner:** Senegal Ministry of Energy
- **Overall term:** 2004 to 2016

The programme supports the Senegalese Government and local businesses with the rural electrification of 265 remote villages with a total population of 90,000. Electricity is generated primarily from solar energy with back-up provided by a diesel generator. For this the programme also receives funding from the Directorate-General for International Cooperation (DGIS) at the Dutch Ministry of Foreign Affairs. The only village communities given consideration as project partners are those that have shown themselves capable of self-organisation and that have at least one public institution such as a school or health centre. Villages range in size from 100 to 700 inhabitants and are situated at considerable distance from the medium voltage grid.

The government grants Senegalese companies a concession under the terms of which they make a commitment to supply a village with electricity for a period of 15 years. In return, they are permitted to levy a charge determined by the Senegalese regulatory authority.

INENSUS West Africa was awarded the concession, built the micro wind-hybrid power plant in Sine Moussa Abdou as part of a development partnership with the German energy programme and put in place a micro power business model.

Another priority area of the programme is the sustainable supply of domestic fuel to counter increasing deforestation. The programme also provides advisory services to the Senegalese Government on energy issues such as the feed-in tariff regulation for renewable energies.

www.giz.de/senegal
 www.peracod.sn





CROSSING THE URBAN-RURAL DIVIDE

THEMES

IN FOCUS: Urban and rural areas benefit from development approaches that embrace the peculiarities and commonalities of both.

OVERVIEW: Case examples of GIZ's work

INTERVIEW: Raphaël Goulet of the European Commission

IN NUMBERS: Facts and figures about urban and rural areas



› FOOD

Our cities' shops and markets offer an almost bewildering array of food – but little of it is produced in the cities themselves. Towns and cities rely on rural areas for their food. And although urban agriculture has an increasing number of devotees, it will never be able to meet the food requirements of cities.



An integrated approach to regional development

The links between cities and the countryside are many and complex. Development works best when planners involve the local population and implement their concepts on a regional basis.

Text Michael Netzhammer **Illustrations** Sabine Schiemann

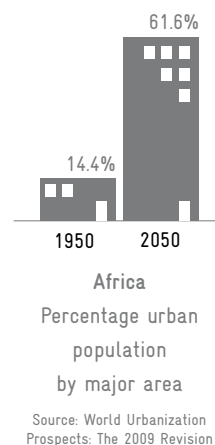
Urban life is fashionable. If media hype about the world's major population centres and megacities is to be believed, then it is the way ahead. Today almost six out of ten people on the planet live in towns and cities. And in developing and emerging countries in particular, the proportion is growing fast. By 2030, it is estimated that cities in the southern hemisphere will have to accommodate virtually all population growth. Many experts associate a number of opportunities with this development, however, ranging from poverty reduction to climate protection. Cities are the engines of economic, cultural and social development. They are centres of knowledge, capital and power. São Paulo, a megacity that is now home to 10% of Brazil's total population, is a good example. In 2008, the city yielded around one third of the country's GNP and was responsible for around 70% of the country's total energy requirements. But opportunities are paired with challenges. As urban populations expand, so too do the numbers of people living in precarious circumstances in major population centres. According to UN statistics, there are around 1.2 billion people in the world living in shanty huts. Most live in districts without a supply of fresh water or electricity and have no access to education, health care or work.

Development in the cities simultaneously has an impact on rural regions. One does not have to take the extreme view of Anna Tibaijuka, former Executive Director of

UN-HABITAT, the United Nations Human Settlements Programme, for whom cities 'represent the future of every nation on the planet.' But the growing importance of urban centres is also shifting the political balance in their favour. Nevertheless, expanding towns and cities also consume goods produced in rural areas. So despite what the prophets of doom may say, urban development need not be detrimental to rural development. On the contrary: as cities grow, so does the importance of rural areas. For they supply urban populations with food, drinking water, energy and clean air, and they provide the labour pool without which sustainable growth would be impossible. And last but not least, it is to the rural regions that city dwellers look for peace and tranquillity.

Complex interrelationships

At one time, little importance was attached to the many and complex interrelationships between cities and the surrounding countryside. Rural and urban areas were seen as polar opposites in development terms. Today the task is to see beyond this artificial distinction. The focus is now increasingly on commonalities and interdependence – and in particular on promoting the potential of both habitats. Regional development can and must act as a kind of hinge between cities and the countryside. And pursuing the metaphor a little further, if these hinges are to work without »



seizing up or breaking, then it is vital to look carefully at how regional development is embedded in political and social terms.

But anyone who understands development as being both regional and national is aware of the bigger picture and knows that it is no longer possible simply to impose a top-down masterplan, as such a masterplan cannot do justice to the diverse actors and complex interdependencies involved. Administrative planning must from now on involve civil society and private companies in decision-making processes. Because there are too many stakeholders and too many different interests. Because the state has neither the funds nor the expertise to finance and determine these processes by itself. And because entrepreneurs and citizens not only formulate ideas, but also want a say in the decision-making process.

Experience from Europe

The state must redefine its role. But new approaches alter the power structure at municipal, provincial and national level, shaking up responsibilities. Adopting them is therefore not always a painless process. This applies equally to rural and urban areas. Many developing and emerging countries neither possess the financial means nor the know-how for such development processes. And yet such knowledge is readily available in Europe. Decentralisation and financial equalisation, for example, are at the heart of German federalism. In no other country in Europe do municipalities have so much say. And member states of the European Union are constantly negotiating their interests and agreeing compromises, giving rise to comprehensive planning tools in which developing and emerging countries can now also participate. At any rate, Germany and the EU provide the South with both financial and technical support in developing rural and urban areas.

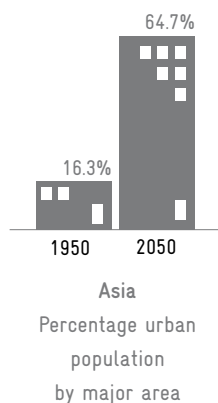
The German Federal Government has three priority areas: it promotes rural development, focuses urban development measures on small and medium-sized cities – in Asia these may include cities with several million inhabitants – and carries out regional development, including the promotion of metropolitan regions with functional interrelationships that go beyond municipal boundaries. The objective is to achieve a careful balance of interests that reduces poverty, facilitates citizen participation and generates prosperity. The implementing institutions are KfW Entwicklungsbank and the Deutsche Gesellschaft für Internationale Zusammenarbeit. GIZ also carries out work in these fields for international clients, including the European Union and national governments that promote urban and rural development.

In order to illustrate the individual policy areas, it is first necessary to define them. In what ways do urban and rural areas differ? Although in many regions of the world the boundaries between cities and the countryside are becoming increasingly blurred, there are still typical features that enable us to differentiate between them. Individual regions bring their own opportunities and challenges. The importance of urban centres lies in their concentration of business, finance, trade, services and labour, all of which help stimulate growth. Cities are also cultural centres and multipliers for social change. Furthermore, it is significantly easier to provide people in cities with water, electricity and modern means of communication. Statistically speaking, urban centres also have more efficient infrastructure and the most direct routes to international and national markets. Globalisation only strengthens these processes of economic concentration. Even small and medium-sized cities in rural areas take on key functions. Although smaller in scale, they also serve as financial centres and as a marketplace for products, services and employment; and they provide a seat for local and regional bodies, vocational schools, health centres and courts of justice.

Increasing opportunities for rural regions

Rural regions traditionally rely on agriculture, forestry and – if present – the mining of raw materials. One can also add to this list energy production in the broadest sense, for example by hydroelectric power stations. Rural regions are often seen as underdeveloped and economically decoupled. But this view is currently changing, since development opportunities for rural territories are generally improving. Demand for food and energy is on the increase as a result of population growth and greater prosperity. Climate protection is also opening up a range of new economic opportunities. Take the case of forestry, for example, where soon forest owners could be remunerated for allowing trees to stand rather than cutting them down, since deforestation and forest degradation account for 15% of global greenhouse gases. At least this is the idea proposed by the REDD mechanism (Reducing Emissions from Deforestation and Forest Degradation), which may be adopted in the post-Kyoto agreement of the United Nations in 2012.

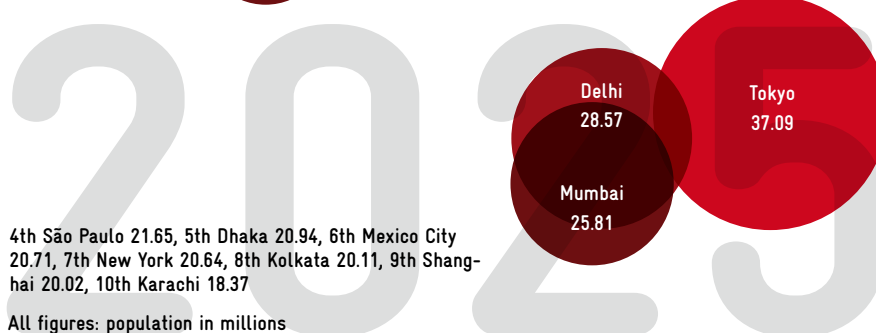
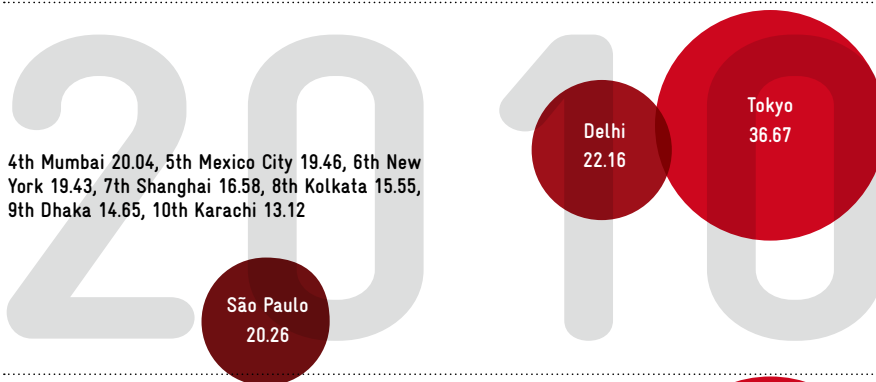
The city of Munich affords a good example of how agriculture and cities can cooperate to leverage mutual benefits. Farmers in the water catchment area of the city's public utility company, Stadtwerke München, are offered support in adopting a more ecological approach to agricultural production and animal welfare. In addition to receiving compensation payments, the farmers are also supported by the utility »



Source: World Urbanization Prospects: The 2009 Revision

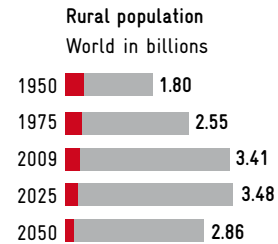
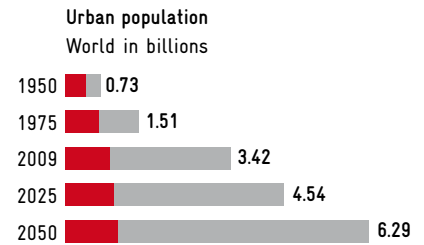
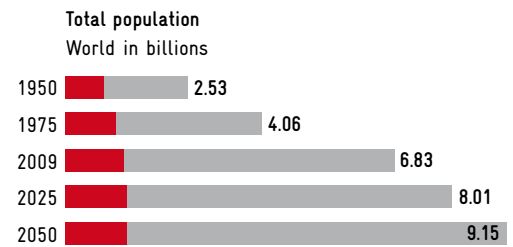
THE WORLD'S LARGEST CITIES

For the world's megacities the only way is up. In 1950, there were just two cities in the world with over ten million inhabitants. By 2010 that figure had reached twenty-one cities, most of them in developing and emerging countries, predominantly in Asia. This trend is set to become even more pronounced in the years ahead.



POPULATION IN URBAN AND RURAL AREAS

By 2050, the world's population is set to rise to over nine billion people. This increase will mainly affect urban areas – experts believe that the number of cities will continue to rise rapidly, while the rural population will peak in 2025 before starting to decline. In more developed countries, the proportion of people living in rural areas has been decreasing steadily since 1950.



- Europe, North America, Australia, New Zealand and Japan
- Africa, Asia excl. Japan, Latin America and the Caribbean, Melanesia, Micronesia and Polynesia

SOURCE: UNITED NATIONS, DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS, POPULATION DIVISION: WORLD URBANIZATION PROSPECTS, THE 2009 REVISION. NEW YORK, 2010

company in marketing their products. According to Stadtwerke München, this water protection measure has resulted in 'the largest continuous area of organically cultivated land in the whole of Germany'. GIZ is pursuing a similar compensation scheme as part of a project being carried out in Ecuador on behalf of the BMZ. Here farmers are awarded additional grazing rights in lower pastures in exchange for not farming the more sensitive uplands. The growing demand for energy in most developing and emerging countries is also resulting in other opportunities. State and private initiatives are investing a great deal of money in rural regions to increase the use of biomass, solar power, wind and water. Moreover, land is becoming increasingly valuable as demand grows worldwide. In Africa in particular, state and private investors are now buying up land in order to grow food.

New opportunities also harbour risks

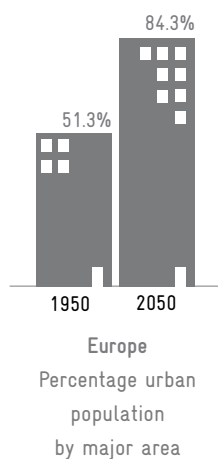
Whether or not these new business models bring benefits to those living in rural areas or merely make their social situation worse crucially depends on the context in which they are employed. A wind farm, for example, creates jobs during the construction phase, yet requires only a handful of maintenance and security staff during the operational phase. It is therefore essential for the region and its population to benefit from the value added, for example, through taxation. Otherwise a wind farm will not stimulate regional development. The same goes for the purchase or lease of very large estates, where in the worst case scenario small farmers are either driven off land they may have farmed for years without holding land titles or forced to hire themselves out as day labourers. On the other hand, investment can also provide a development boost. So how can opportunities best be exploited and risks minimised? One way is to adopt business models in which investors involve and train the small farmers and give them a share of the profits. In its numerous development partnerships with the private sector, GIZ has shown how models like these can function successfully.

Whether or not investors sign up to such models of course depends on the policy framework. The FAO aims to anchor regulations governing the sale and lease of land on an international basis and is supported in this process by BMZ and GIZ. Germany is pushing for regulations that enshrine respect for human rights and compliance with informal and traditional land rights. If investors are required to comply with such regulations, their investments may provide a region with long-term support and improve the income of many inhabitants. If not, the rural exodus may only accelerate, exacerbating problems in the cities.

There is perhaps no better illustration of the interaction between urban centres and rural regions than the phenomenon of migration. 'In China alone, as many as 200 million people are migrants,' says Harald Sterly of the University of Cologne, who is currently investigating migration in Bangladesh and China as part of a research project entitled Megacities-Megachallenge. For urban planners in particular, migration brings major challenges, but for two reasons it is also highly beneficial to society. First, migration is rarely just an attempt to flee. More often than not, families choose to send one or more family members to the cities in order to diversify their income. A proportion of what they earn in the city returns to the countryside to secure the survival of the family. In addition, it permits families to invest in education, land and their own activities. The sums transferred are enormous. According to the World Bank, foreign migrant workers alone send home around EUR 225 billion each year. Secondly, migrants are responsible not only for transfers of money but also for the transfer of new business ideas or more efficient working methods. And many migrants do return home. As a result of their migration on the one hand and their transactions on the other, migrant workers support an informal financial equalisation between urban and rural areas, between wealthy and poor regions. This is bottom-up development.

Ill-prepared for change

'And it is a form of voting with one's feet,' says Michael Funcke-Bartz, Director of the Sustainable Technologies, Industrial and Urban Development Division at GIZ and responsible for an EU programme that invites high-ranking regional planners from China and Ukraine to participate in specialist study tours to Europe (see inset box on page 18 and interview on page 21). This form of voting can only be counteracted by actively working against deficits in those regions that are a cause of internal migration. For this reason, many governments have made the equalisation of such disparity in development a declared political objective. However, the administrative substructure is not strong enough to cope with this at the present time. Indeed, this is true of all challenges facing rural and urban regions, from the supply of water to slum residents and the creation of regional markets, to the treatment of wastewater and training of administrative officials. In many countries, the administrative system is ill-prepared for change processes – both at the administrative and planning levels. At the same time, the responsibilities shouldered by authorities at national, regional and municipal level are not clearly defined. »



Source: World Urbanization Prospects: The 2009 Revision



> ENERGY

Buildings are one of the principal sources of global greenhouse gas emissions. In more recently developed cities they account for 50% of energy consumption, in older cities as much as 70%. The energy consumed is mainly generated in rural areas. Although clean, renewable energy can also be produced by photovoltaics in urban areas, large hydroelectric power stations and wind farms are located outside the major cities.



There is a lack of cooperation between ministries, meaning that a ministry responsible for urban planning, for example, rarely works in tandem with the one responsible for rural planning. Often the fundamentals are lacking. Even cities with a population of 200,000 have no street plans. Worse still, says Alexander Jachnow, a GIZ officer in Bangladesh, 'owing to the absence of plans, the city authorities are often unaware of the exact layout of water pipes.' Jachnow is involved in a project commissioned by BMZ to improve the infrastructure and municipal administration in 35 small and medium-sized towns and cities. Sometimes medium-sized cities with a quarter of a million inhabitants do not have a single urban planner, Jachnow explains. 'We're working on the basics.' There is a shortage of skilled employees at all levels, which is why in many countries GIZ develops training courses and provides training for experts. Administrative efficiency often suffers as a result of high staff turnover. In many countries following an election, for example, it is not just the management level of an administration or ministry that changes, as is the case in Germany; often, the entire technical staff is replaced by a

workforce chosen by the new regime. Hard-won knowledge disappears overnight. In extreme cases, such bodies are forced to start building again from scratch.

In addition to a lack of expertise, there is often no forward-looking planning philosophy. Take the expanding city, for example. When land areas destined for apartments, businesses and shops are determined at an early stage, planning for infrastructure is relatively simple and cost-effective. But many countries simply adopt a reactive approach. 'Such retrospective planning creates enormous problems. And costs rise exponentially,' says Jörg Haas, Manager of the GIZ project 'Good Local Governance' in Indonesia, which is financed by BMZ. But forward-looking planning also means establishing a concept of how a region will develop in the future. What should the city look like in twenty years? How should the region's resources be developed and who should be involved? These are the questions facing regions all over the world. And since the answers are often lacking, it is vital that cities exchange knowledge and experiences. This is where the Cities Alliance comes in. This international alliance between national, multilateral and private donors and

CASE EXAMPLES OF GIZ'S WORK > CROSSING THE URBAN-RURAL DIVIDE

>EUROPE

Regional policy experts from China



Project: Information Sessions in Regional Policy
Commissioned by: European Union (EU), Directorate General (DG) for Regional Policy
Overall term: 2011

The European Commission commissioned GIZ with the organisation of four information sessions for senior regional policy experts from China and Ukraine. During the sessions, the delegates familiarise themselves with a variety of regional development strategies and funding mechanisms, and engage in dialogue with public and private sector representatives. Organised in cooperation with the City of Trier, the first information session took place in 2011, when a Chinese delegation visited various European cities, including Trier, Aachen, Brussels and Prague. An information session for Ukrainian government officials focused on cross-border cooperation.

>INDONESIA

Setting standards – creating coherence

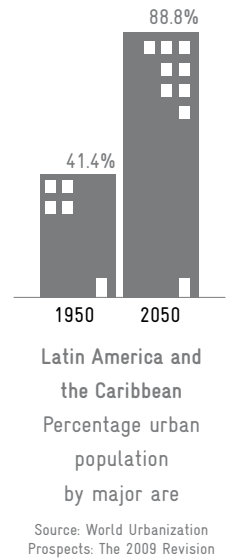
Project: Decentralisation as a Contribution to Good Governance
Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)
Partner: Indonesian Ministry of the Interior, Ministry of Finance, Ministry of Administrative Reform, National Development Planning Agency
Overall term: January 2010 to December 2012

The decentralisation policy introduced in Indonesia in 1999 assigns wide-ranging responsibilities for delivering public services to sub-national authorities. However, these public authorities are not yet performing the functions assigned to them in accordance with the required quality standards and good governance criteria. The programme therefore assists sub-national regional authorities in complying with good governance principles in the fulfilment of their public service functions and in maintaining good standards of administrative performance and financial management. To that end, it advises the Indonesian partners at national, province and municipal level on the development and implementation of coherent national decentralisation strategies.

non-governmental organisations seeks sustainable solutions to enable cities to control their growth, reduce poverty and develop slums into urban areas worth living in. Through BMZ, KfW and GIZ, Germany also plays its part in this alliance.

Of course, there are financial constraints. Many cities and municipalities are heavily indebted, including in Bangladesh. 'Some cities are unable to settle their telephone or electricity bills with public and private providers,' explains Alexander Jachnow. Little funding is earmarked for investment. In part, this is because central government assigns little money to the municipalities. 'Government funds just about cover the wages of employees but there is nothing left over for important investments,' says Jachnow. As a result, cities and municipalities are forced to generate additional income themselves through taxes and licence fees. Yet many mayors are hesitant to impose these for electioneering reasons or simply exempt friends and acquaintances from such charges. 'In many cities in Bangladesh the income could be as much as 70% higher,' says Jachnow. But not even then would there be a sufficient margin for the investments required.

Even in countries like India or Indonesia, which thanks to their economic situation have surging tax revenues, urban and rural administrative bodies do not have sufficient funds at their disposal. Haas believes there is only one solution to the dilemma for government bodies: 'More than ever before, states will be obliged to turn to private donors for investment. But they will only achieve that if they also guarantee the private sector influence and co-determination.' However, citizen participation is new to many authorities and ministries, where the prevailing mentality is that as the government's administrative arm, they have sole responsibility for planning. This mindset quickly reaches its limits where complex projects are concerned, however, where it is necessary to take a variety of interests into account and where the political and economic conditions are dynamic. There are various levels on which citizen participation needs to be developed. On the formal level, for example, it might involve central governments devolving powers to the provinces and municipalities; and informally, municipalities might conduct consultation exercises among citizens, for instance, or sit down to negotiate with citizens, entrepreneurs and representatives of social organisations. »



> BANGLADESH

Improving infrastructure



Project: Good Governance in Urban Areas

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

Partner: Ministry of Local Government and Rural Development

Overall term: 2007 to 2012

Continuing rural-urban drift is giving rise to increasing urbanisation throughout Bangladesh. However, the administrations of urban centres are seldom able to provide even the simplest and most basic services. This has serious consequences, especially for the poorest members of the urban population. The project improves public infrastructures in urban centres and embeds the principles and mechanisms of good governance, including citizens' participation in public planning processes, within the authorities. The aim is to achieve more transparency and efficiency so that the public sector gains greater respect and legitimacy in the eyes of local citizens.

> EL SALVADOR

Focus on citizens' participation

Project: Advice on Local Development and Decentralisation

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

Partner: Fondo de Inversión Social para el Desarrollo Local (FISDL)

Overall term: 1995 to 2011

El Salvador is characterised by substantial regional and socio-economic disparities in development. In order to improve this situation on a lasting basis, the division of responsibilities between central government and the local authorities must be clarified and effective mechanisms for coordination between the public authorities, the private sector and civil society need to be established. The aim is to build the municipalities' capacities to effectively steer local and regional development. The programme provides advice on structural policy reforms at national, regional and local level in order to support decentralisation. The local authorities are assisted in designing participatory, transparent management procedures and development processes and receive advice in various policy fields, including youth policy, gender equality, waste management and economic development.



› MIGRATION

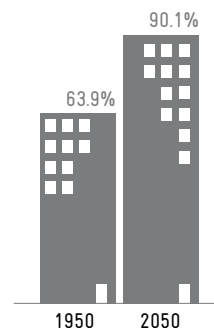
People generally leave rural areas because they no longer see a future with good prospects there for themselves and their families. Urban areas, on the other hand, need a plentiful supply of cheap labour. This is not only a negative development, however: migrants send money home or engage in other forms of activity to benefit their region of origin. Many migrants return to their home regions at some point, bringing with them the skills and expertise that they have acquired in the city.



Many states still have a very centralised form of government, and decentralisation can be an important step towards strengthening the regions and achieving local self-government at the same time. Indonesia is a good example of the benefits and challenges decentralisation can bring. During the 1990s, when several regions began demanding increased rights – even to the point of autonomy – the government opted to move towards greater decentralisation. Today, the municipalities receive 30% of Indonesia’s tax revenues, in addition to earmarked funds, for example for education. However, there remain contradictions between laws on decentralisation and other legislation. The roles assigned to the provincial and municipal levels are not precisely defined. In addition, financial resources bring with them problems of corruption. So decentralisation alone cannot be the end of the story; rather, any allocation of resources must be accompanied by a supervisory body at municipal level, with precise regulations and minimum standards for administrative bodies. And there must be a process by which individual municipalities acquire competence in dealing with specific issues and begin to help one another. ‘In reply to these decentralisation deficits the In-

donesian Government is once again strengthening the intermediate administrative level in the provinces,’ says Haas, who is monitoring Indonesia’s decentralisation process on behalf of GIZ.

Globalisation has resulted in the regions being accorded greater importance, and not only as administrative units. For in addition to global cooperation stoking competition between economic regions, the nation state has diminished in terms of its political and cultural function. Increasingly, it is the regions that must provide this identity – as economic, political and direction-giving entities. This reinforces the function of the regions as a ‘hinge’ between municipality and central government. Several conditions must be met if they are to perform this function. Firstly, successful regional development is only possible if administrative levels cooperate effectively. This includes cross-sectoral cooperation between ministries and administrative agencies. Secondly, this development must actively involve civil society and the private sector. And thirdly, the various actors must agree on common objectives. That is easier said than done. A regional development process such as this ‘is an expression of the transition »



Northern America
Percentage urban
population
by major area

Source: World Urbanization
Prospects: The 2009 Revision

» INTERVIEW

REGIONAL POLICY: THE EU AND CHINA IN DIALOGUE



Raphaël Goulet is Head of the Communication Unit in the European Commission’s Directorate General (DG) for Regional Policy.

China’s economy has experienced strong growth over recent decades, but not every region is benefiting from this development. What action is China taking to address this problem?

There are very wide variations in China’s regional development. The coastal regions are booming, the west is underdeveloped, and the traditional heavy industries in the north-east are now in decline. In 2000,

the Chinese government launched its ‘Great Western Development Strategy’ – a very successful economic development programme for the western part of the country. However, other less developed regions in central and north-east China have also caught up to quite a noticeable extent recently.

Overcoming social and economic disparities between individual countries is the key to Europe’s success. What can the Chinese learn from this?

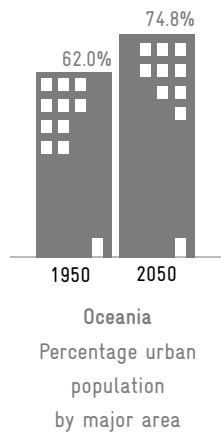
Although China is more than twice the size of the European Union, the EU and China have much in common in terms of the spatial distribution of their economic activities. This has prompted Chinese and European decision-makers to develop joint strategies for sustainable economic development.

The Chinese are very interested in learning from Europe – they are particularly keen to know more about how the various tiers of government and administration work together.

Which of the lessons learned in China are particularly relevant to Europe?

From a European perspective, it is useful to understand China’s ‘Master Strategy for Coordinated Regional Development’, which came into operation at the start of the century. It defines pathways for the regeneration of the old industrial regions in the north-east and outlines specific actions to be taken to promote development in central China.

Interview: Michael Funcke-Bartz



Source: World Urbanization Prospects: The 2009 Revision

between the traditional guarantor state and the modern enabling state,' says Jutta Barth, GIZ expert in regionalisation, decentralisation and urban development. Participation by citizens and the cooperation between administrative units shifts power structures and may go beyond established areas of activity. In addition, all parties involved in such processes are breaking new ground.

In this respect, the act of moderation plays a very important role, particularly as many of the individual actors are meeting for the first time. 'We see ourselves in the role of mediator, monitoring the political negotiation process, bringing actors together and moderating the exchange of ideas and experience,' says Daphne Frank, Planning Officer for Decentralisation, Regional Governance, Municipal and Urban Development at GIZ in Eschborn. Exchange processes are beneficial at all state levels, but in particular between urban and rural planners. Urban and rural planning units are often assigned to different ministries. What is more, the two units often employ different methods and rarely exchange ideas or experiences with one another. And yet as the case of Niger demonstrates, this is vital. Here the cities simply transport wastewater, faeces and waste to the countryside and dump it there. In so doing they alter land use without any regard for the legislation in force. What is more, the untreated wastewater spreads diseases. Both these issues could be resolved through negotiation.

Minimising conflict potential

Competition for land also affects the essential interests of the rural population. In the Sahel, for example, nomads make use of traditional grazing and corridor routes. 'The importance of these rights is not always recognised by urban planners. They see unbuilt areas as potential construction sites. And yet the corridors are vital to livestock farmers,' says Martina Wegner, responsible at GIZ for territorial development in rural areas. In order to minimise the existing potential for conflict in Niger, an interministerial committee was set up, represented by members of various ministries. The next step was to agree a 'code rural', which regulated land rights and land use.

Regional development processes can be initiated by national governments as well as by regional or local initiatives. The forms of partnership that result are therefore diverse. 'Most such processes start off informally. Success inevitably breeds trust and often stimulates a desire for formal relations and more ambitious objectives,' says Frank. The case of El Salvador illustrates this well. Of the 22 municipalities in the La Paz region, 16 have established a cross-party association

with an agenda that encompasses waste disposal, business promotion, land use planning and other issues that they address collectively. To date, twelve open waste disposal sites have been shut down and waste separation has been introduced. By pooling issues under a common coordinated model, the association has done much to promote development in the region. 'For municipalities governed by different political parties to work together in this way is extraordinary in El Salvador, where political allegiances are strong. It is a very encouraging development,' says Friedegund Mascher, head of the Advice on Local Development and Decentralisation programme, implemented in El Salvador by GIZ on behalf of BMZ. One of the successes of this development process is that ten of the municipalities have created development plans with the participation of over 3,000 citizens, all of whom had an opportunity to register individual family interests.

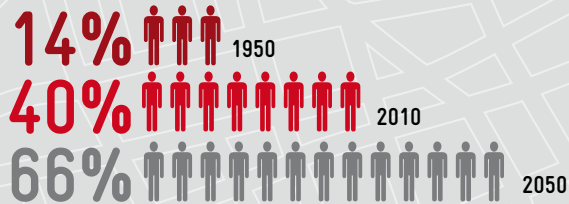
Not all participatory processes are crowned with success. And they run the risk of individual interests holding sway over the common good. This is a politically sensitive issue – and one that arouses fear. It is therefore all the more important that participatory processes are institutionally integrated. Western countries, and the EU in particular, exemplify how such negotiation processes can function properly. EU countries have a high degree of credibility and are able to help broker these processes as mediators. It is now an opportune moment for many regions of the world to adopt new approaches to development. Democratic movements in the Arab countries have underlined the fact that people there aspire to civil rights and economic participation. Good governance is therefore an important basis for the development of rural and urban regions. In addition, globalisation is forcing developing and emerging countries to intensify the regional character of their rural and urban areas. This means they must develop and define the potential of individual territories. And as part of this process there must also be an attempt to equalise the disparities in development between the regions. ■

PHOTOS: RACE-PRESS/DPA (10-11, 17); REDUX/LAIF (10-11); PETER HIRTH/LAIF (12); ROOTMANN/LAIF (12); JUPITERIMAGES (17); ISTOCKPHOTO.COM/HANHANPEGGY (18); SADEJUI HUSSAIN/FOTOLIA.COM (19); BERTRAND GARDEL/HEMIS.FR/LAIF (20); ELLERINGMANN/LAIF (20); BERTRAND GARDEL/HEMIS.FR/LAIF (20)

FACTS AND FIGURES

> In 1950, 14% of the African population lived in urban areas. By 2010, the figure had risen to 40%, and by 2050, around two-thirds of its population is likely to be urban.

SOURCE: WORLD URBANIZATION PROSPECTS



> Worldwide, agriculture accounted for 38% of land use in 2008. Although this figure has risen by only 4% over the last 50 years, agricultural production increased by 22% between 2000 and 2009 alone.

SOURCES: WORLD URBANIZATION PROSPECTS, THE WORLD BANK



< An estimated 80% of world gross domestic product (world GDP) is generated in urban areas.

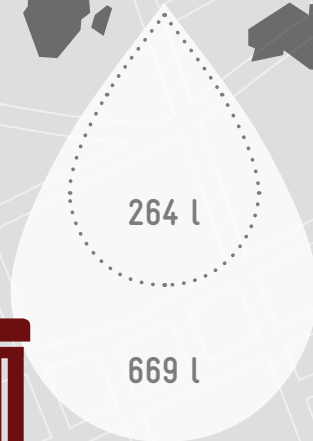
SOURCE: FEDERAL AGENCY FOR CIVIC EDUCATION

SOURCES: WORLD URBANIZATION PROSPECTS, THE WORLD BANK



^ In Asia, an urban dweller produces an average of 375 kg of waste per year. Waste generation in the Malaysian capital Kuala Lumpur is more than double this figure: its residents generate a startling 816 kg of waste per person per year.

SOURCE: GREEN CITY INDEX, SIEMENS



< Latin America's city dwellers use an average of 264 litres of water per person per day. With per capita water consumption of 669 litres, Buenos Aires is well above the average.

SOURCE: GREEN CITY INDEX, SIEMENS

€48.9 billion

€22.6 billion

^ In 2009, German agriculture, forestry and fisheries generated gross output valued at EUR 48.9 billion – far outstripping the turnover of Germany's entire textile and clothing industry, which amounted to EUR 22.6 billion.

SOURCE: GERMAN FARMERS' UNION

WE'RE BUILDING THE FUTURE!

The Federal Ministry for Economic Cooperation and Development (BMZ) celebrates its 50th anniversary this year. Peace and stability, education, fair trade, respect for human rights, health care ... these are just some of the future-oriented global issues being addressed by BMZ.



Over the last 50 years, Germany has become a highly respected actor in the field of international cooperation. The countries with which we cooperate see us as a genuine partner operating on the basis of equality and proportionality, and other donors and international organisations view us in the same way – as a reliable and competent actor. Thanks not least to the strong performance capability of our implementing organisations, we are innovative and effective.

Germany's contribution has helped to ensure that in many regions of the world, substantial development progress has been achieved – although there are still huge challenges ahead for all of us. It is the task of policy-makers to create an enabling environment – especially through international dialogue – which facilitates efforts to meet these challenges. They can also help to mobilise the requisite funding. However, the real impetus for building the future must come from within society itself – from civil society organisations, business, science and the media, and ultimately from each individual citizen.

We need strong advocates within civil society. Development policy should not operate on the sidelines: it must be at the heart of society. Citizens, businesses, the local authorities, the education sector, academics, the media and numerous other stakeholders all have a role to play. We can only master the challenges that lie ahead if everyone plays their part.

That's why we believe it is very important to encourage people to get involved. In Germany, there are already more than 3,000 organisations and one million people actively involved in development cooperation. Our aim is to increase this number to two million!

Encouraging participation is the centrepiece of our campaign to mark the 50th anniversary of the Federal Ministry for Economic Cooperation and Development, and it is reflected in the campaign title: '50 Years of BMZ. Building the future. Let's join forces.' Our aim is to encourage everyone – especially people who are not yet involved – to work with us and our established partners to develop new strategies and visions for the future of German development policy, based on five

decades of German development policy and in conjunction with leading futurologists.

An important step in this process is to increase the visibility of German development policy. We are organising 14 anniversary events at which the general public and experts will discuss the future of German development policy. We will be using interactive communication tools and social media over the course of the year to build an ever-closer relationship with the public – for we are convinced that we need new forms of dialogue and cooperation in order to reach new target groups and more people.

Members of the public, companies and the local authorities are also given practical op-

tion and education. Our aim is thus to create a space in which new ideas can develop, synergies can be created, and engagement is encouraged and promoted.

Development policy is a task for society as a whole. So there is no doubt that it needs to become a stronger focus of attention. Development policy issues must influence the political and media agendas in Germany considerably more than at present. We also want to channel Germany's substantial development policy expertise into the international debates about global development to an even greater extent in future, and play a greater role in setting priorities. Here too, we need the backing and involvement of the general public in Ger-

Development policy should not operate on the sidelines: it must be at the heart of society. We need supporters!

portunities for involvement in development cooperation, for example via the website www.bmz.de/engagement, which offers numerous opportunities for private individuals, companies, organisations, students and teachers to get involved. The new 'Cooperation with the private sector' service centre provides first-hand information that is tailored to businesses which would like to get involved in development cooperation and need support, for example to set up a public-private partnership. Ultimately, everyone benefits: the people in our partner countries, BMZ, which can mobilise additional private resources for development, and the company itself, which may thus be able to gain access to a target market previously regarded as difficult to reach.

We will also launch the planned 'Service Centre for Civic and Community Engagement', which will administer and coordinate our mechanisms for promoting cooperation with civil society in future. The new service point will organise and facilitate the provision of advice, support, funding, training, informa-

tion and education. Our aim is thus to create a space in which new ideas can develop, synergies can be created, and engagement is encouraged and promoted. Let's join forces!

The upheavals in the Arab countries show that young men and women want to play a role in shaping their communities and promoting their development – motivated by a desire for freedom and responsibility. Their calls for social participation offer opportunities to drive development in these societies and achieve more sustainability. ■

> PROFILE

'It's about empowering people around the world to live self-determined lives.' For Dirk Niebel, this is the most important goal of development cooperation. The FDP politician, who holds a degree in public administration, became the Federal Minister for Economic Cooperation and Development in 2009. He is actively engaged in efforts to build peace in the Middle East.





CREATIVE AND CONFIDENT

ARMENIA HAS FACED AN ONGOING SOCIAL AND ECONOMIC CRISIS since it gained its independence after the demise of the Soviet Union. The war with Azerbaijan has also had a lasting impact. Almost one-third of the population of Armenia lives below the poverty line, and in many regions, children are growing up in a desolate environment, as seen here in Mughni in Aragatsothn province. Unlike many adults, however, they are energetic and creative, looking forward to the future with optimism and confidence. GIZ runs various programmes in Armenia on behalf of the German Government.

Photo: Anoush Aslanyan

THE FUTURE'S ORGANIC!

Saudi Arabia's stark desert landscape seems endless and unvarying. And yet in the 1990s, this Gulf state was one of the world's largest wheat exporters. Today, the focus has shifted towards quality rather than quantity: with the launch of a Saudi Arabian eco-label, the country aims to usher in a new era of organic farming.

Text Hanna Labonté **Photos** Andreas Wolf



Ibrahim Al-Shahwan is out and about on his small farm to the south of Riyadh. In his white thawb – the traditional Arab robe – he seems quite oblivious to the heat and dust of the desert, unlike his visitors, who are wilting in the baking heat. It's only 10 o'clock in the morning, but the thermometer has already crept up above 40 degrees. At this time of the year, in May, Saudi Arabia's vegetable-growing season is drawing to a close. Even in the air-conditioned glasshouses, it's simply too hot to grow crops. But Al-Shahwan is undeterred: on his six hectares of land, he is still growing around 20 different varieties of organic vegetables that he delivers to his customers through his own supply service. He sends out his organic vegetable baskets to some 60 to 80 households a week. 'My customers have faith in me,' he says, his eyes twinkling behind his spectacles. 'They know that I provide them with healthy, high-quality produce, and they are happy to pay a bit extra for that.'

Breaking new ground

Organic farming in the middle of the desert? On the face of it, it seems quite incongruous. And yet for the past six years, GIZ International Services has been working on behalf of the Saudi Arabian Ministry of Agriculture to expand the organic farming sector in Saudi Arabia. It's ground-breaking work: before the project began, organic farming was almost non-existent in Saudi Arabia. Legislation and regulations had to be developed and technical skills fostered. However, the commitment has paid off: 'A separate department has now been established in the Ministry of Agriculture and the new organic farming ordinance came into force last year, so we are taking major steps forward,' says GIZ Project Manager Marco Hartmann.

So what prompted the Ministry of Agriculture to commission the project? It all started with the increasing problems resulting from the

◀ Organic pioneer Ibrahim Al-Shahwan in one of his glasshouses, where he grows courgettes.

SAUDI ARABIA



> COUNTRY STATISTICS

Area in km²: 2.15 million
Capital: Riyadh
Population: approx. 25.5 million, including around 7 million foreign nationals legally resident in Saudi Arabia
Population growth: 2.5% per annum
GDP 2009: USD 415.4 billion
Per capita GDP 2009: USD 23.269

Source: Federal Foreign Office (AA)

AT A GLANCE

- Introducing Organic Farming in the Kingdom of Saudi Arabia
- Commissioned by: Ministry of Agriculture, Saudi Arabia
- Overall term: 2005 to 2013

The growing demand for healthy, pesticide-free food in Saudi Arabia has led to a radical shift in attitudes among the country's farmers, commercial sector and public authorities. This prompted the Ministry of Agriculture to ask GIZ for its support in introducing organic farming in the Kingdom of Saudi Arabia. The project focuses not only on production but also on marketing and certification in accordance with international standards. Certification is intended to offer farmers new business opportunities and boost the international competitiveness of the Saudi Arabian food industry. The project has already achieved some successes: the Saudi Organic Farming Association (SOFA) has been set up, and legally binding frameworks have been established for producers and consumers. These measures are flanked by marketing campaigns and attendance at trade fairs in Saudi Arabia and abroad. A national eco-label was launched in early 2011.

uncontrolled use of chemical fertilisers and pesticides in conventional farming, which were causing high levels of contamination in some of the produce on sale in Saudi Arabia. However, better quality foods are only one of the reasons why the Saudi Arabian government is taking an interest in organic farming: 'It's noticeable that today, sustainability issues are becoming increasingly important,' says Hartmann. The fact is that organic farming conserves resources, which are already in short supply in a desert environment. The water retention capacities of soils are improved and new technology, such as drip irrigation systems, uses water very efficiently.

Water scarcity is only one of the many challenges facing farmers in Saudi Arabia, however. 'There are extreme variations in the country's climatic conditions, which means that sparing use of all resources is essential,' says Hartmann. Ibrahim Al-Shahwan's farm, for example, is located in the Arabian Desert. Besides vegetables, he also produces eggs – although these are not 100% organic. 'It's very difficult to find certified organic feed here in Saudi Arabia, so I have to supplement the diet with conventional feed,' he explains.

Organic farming is not yet fully established in Saudi Arabia. The Ministry of Agriculture has set up a specialist research centre for »



organic farming, but initial research results will not be available for some years. Until then, the farmers will have to use their own initiative. An enquiring mind and an interest in experimentation go a long way. For Ibrahim Al-Shahwan, organic farming is an ongoing experiment. The study visits to other countries, organised by GIZ, have been useful, he says, as he has brought back new varieties of seed. He also swaps plants and shares experience with other farmers in Saudi Arabia and he is trying out various methods to deal with pests. ‘Sharing experience with other farmers is particularly useful, in my view,’ he says, and proudly shows off his seed collection, housed in his farm’s small packing unit.

A passion for farming

Is he worried about competition? Al-Shahwan laughs. ‘I can hardly keep up with demand. I’d be delighted if I had more colleagues to cooperate with, to keep my customers happy!’ The

project relies on the idea that the organic farmers themselves will convince their colleagues who farm conventionally of the benefits of organic farming. And it’s an idea that works, as Al-Shahwan shows: he takes great delight in being able to persuade others that he has the right idea. As his main occupation, he lectures in plant pathology at King Saud University, one of the largest educational institutions in the country. He set up the farm as a sideline. However, Al-Shahwan is well able to combine business with pleasure, regularly holding seminars and lectures for colleagues and students. ‘If I can show my students how conventional farmers use pesticides and how we operate here on my farm without using these toxins, they will never want to eat anything but organic food again,’ he says.

And farmers are responding to the growing interest in organic food: in the first six months of 2011 alone, the number of organic farms in Saudi Arabia increased by almost 50%. ‘That’s only the beginning,’ says Hartmann.

‘We are expecting demand to outstrip supply over the next few years.’

Individual initiative is essential

The German advisors know that the Saudi Arabian project workers have a key role to play in developing a sustainable domestic market for organic produce. ‘In order to establish the market on a sustainable basis, an in-depth knowledge of Saudi Arabian society and its specific characteristics is essential, especially where public acceptance of organic food is concerned,’ says Hartmann. It is the Saudi project workers who will take the development of organic farming forward after the project ends. To prepare them for this responsibility, they are involved in all aspects of the project: ‘We have great faith in our partners and encourage them to take on responsibility from a very early stage,’ says Marco Hartmann.

However, there is still considerable scope for development, not only on the producer side



but also as regards consumer awareness. Organic produce has only started to appear in Saudi Arabian supermarkets over the last few years, most of it imported. Local produce is only gradually appearing on the shelves. The introduction of a single Saudi Arabian quality label is intended to increase acceptance of organic produce and provide consumers with a point of reference as they make their purchases.

This year, all 23 project farms will be certified in accordance with the new Saudi Arabian organic standard. Ibrahim Al-Shahwan has high

hopes of the new eco-label, which he believes will generate a great deal of consumer confidence because it was developed in Saudi Arabia itself. 'The new eco-label is written in Arabic and it also features the name and has the backing of the Ministry, so consumers will know what they are buying.' The first certified products carrying the eco-label could appear on the shelves later this year.

Al-Shahwan is relaxed about the predicted boom. He has already bought more land in order to increase his output. ■

◀ Left: In the glasshouses, the young plants are protected from excessive heat.

Right: The new Saudi Arabian eco-label aims to encourage consumers to try locally grown organic vegetables.

► CONTACT

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» INTERVIEW

'WE'RE PART OF A GLOBAL MOVEMENT'



Dr Saad Khalil is a member of the Board of Directors of the Saudi Organic Farming Association (SOFA). As the Head of the Organic Agriculture Department in the Ministry of Agriculture, he is responsible for managing the project to promote organic farming on the Saudi Arabian side.

Why is the Saudi Arabian government supporting organic farming?
Our main aim is to produce healthy food for the Saudi Arabian market, but the project also offers an opportunity to promote the switch from conventional farming, which uses far too much water.

What's the reaction from farmers?
The farmers involved in the project find the study visits particularly useful. We sent some of our farmers to attend the 'BioFach'

World Organic Trade Fair in Nuremberg. It was here that many of them realised, for the first time, that they are part of a major global movement.

What are the challenges facing the project today?
We are in a transitional phase. At the moment, the demand for organic produce outstrips the supply – and that's a good situation to be in. But many consumers cannot afford to buy organic produce or don't know anything about it. That's something we need to work on. We are planning to launch a large-scale media campaign to raise awareness of the eco-label.

How's the future looking for organic farming in Saudi Arabia?
My ambitious hope is that by 2015, organic produce will account for between 5 and 10% of the food being sold in Saudi Arabia.

Interview: Hanna Labonté

THE BIRTH OF A COUNTRY

On 9 July 2011, South Sudan gained its independence and became the newest member of the international community. After two long and bloody civil wars, people are looking to the future with optimism – thanks in part to the numerous international aid projects under way in this young country.

Text Philipp Hedemann



With powerful blows, Deng Agok Deng nails a bamboo lattice to the frame of the shack that he is building. A tall man, whose tattered clothing hangs much too loose on his gaunt frame, Deng is planning to move into the simple accommodation – which offers around 14 square metres of living space – with his four children within the next few days. ‘It will be the best house we’ve ever lived in,’ says the 47-year-old with obvious delight. He is one of around two million South Sudanese who are returning to their devastated country – which, on 9 July 2011, became the 54th African country to gain its independence – after decades of civil war; a war which claimed more than two million lives and internally displaced around four million people. Since the referendum in January 2011 made it clear that South Sudan was heading for independence, 400,000 South Sudanese have already returned from the north to their southern homeland. The German Government and the international community are helping Deng and the other returnees to build basic accommodation and a new life for themselves. With 40 experts from Germany and Europe, a further 138 experts, mainly from the African countries, and more than 400 local staff, GIZ is supporting the state-building process in South Sudan on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), the Federal Foreign Office (AA), the EU and various UN organisations.

‘Let me show you where we’ve been living until now,’ says Deng, pointing to a makeshift hut cobbled together from planks and plastic sheeting alongside his new home. He’s not a man who’s prone to complaining. After his brother died in the war, Deng fled with his wife and four children – the youngest just one year old – to the relative safety of the north. His wife died in a refugee camp there. ‘It’s so sad that she’s not here to see that we are starting a new life back home,’ says Deng. He is one of around 30,000 refugees who have already returned from the north to build a

new life for themselves in the sparsely populated savanna on the outskirts of Kuajok, the capital of newly formed Warrap state since 2005.

‘The rainy season will come soon. By then, as many of the returnees as possible, some of whom are severely traumatised, need to have weather-proof accommodation,’ says Veronika Utz from GIZ. She is working with the Partnership Programme set up by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the United Nations Refugee Agency (UNHCR), which supports the re-integration of the returnees. Benjamin Binda Wol, the coordinator of the South Sudan Relief and Rehabilitation Commission, is pleased that Germany is assisting the new state. ‘The Germans were well-prepared when they arrived. They are doing what they promised to do, even though time is pressing,’ says the South Sudanese. He knows that if it had to rely on its own resources, the new country could not possibly manage the mammoth task ahead.

Urgently needed reconstruction

‘South Sudan has almost no state structures and there is a real shortage of skilled workers at every level. Both of these factors are making our job much more difficult,’ says GIZ Country Director Manfred van Eckert, whose office is in the new capital Juba. The security situation in this formerly war-torn country, where hundreds of thousands of weapons are still in circulation, remains extremely tense. Nonetheless, on behalf of its various commissioning parties and clients, GIZ is actively involved in 12 projects throughout the country, which is around twice the size of Germany but only has a few miles of asphalt roads, a country where only a quarter of the 8 million-strong population can read and write, where more than half the population has no access to safe water, where maternal and infant mortality rates are among the highest in the world, and where hunger is an ongoing problem despite the fertile soils.

As well as promoting the integration of returnees, GIZ’s various other activities include supporting the development of a democratic, decentralised and federal system of governance and

administration, an urban water supply and the construction of urgently needed homes, schools, roads and dykes, as well as promoting a system of sustainable agriculture and good-quality education and vocational training institutions. ‘In reality, we are still at the stage of providing emergency relief. But while we focus on meeting people’s immediate needs, we should not neglect institution-building. That would be like putting a sticking plaster on a festering wound,’ warns van Eckert. One of the institution-building projects focuses on the delivery of training for the police. This particular project was commissioned by the Federal Foreign Office (AA).

With jerky movements, Augustino Agula Diringa moves the cursor across the screen. A former soldier in the rebel army, the SPLA, he is one of 34 police officers on a 16-month course that will equip them with skills in communications technology. GIZ has already provided radio equipment for 80 police stations and more than 250 police officers have been trained to operate the high-tech devices. ‘We learn how to communicate effectively with headquarters in Juba and the other police stations. That’s important so that we can safeguard security in our new country,’ says Diringa.

Federico Ladu also fought for his country’s freedom – for 17 years. Now he stands with a homemade fly whisk, cobbled together from a stick and a plastic bag, at his market stall in Juba and shoos away the flies. The local residents who queue at his stall every morning know where to come for good-quality fish. ‘The war was a bad time. We had no life. We just had to try and survive. Now we are building a good life for ourselves,’ says the fishmonger. He is one of 3,397 men and women who have participated in a re-integration programme for ex-combatants, run by GIZ International Services on behalf of the United Nations Development Programme (UNDP). Under the terms of the Comprehensive Peace Agreement with the government of Sudan, South Sudan is required to reduce its 180,000-strong armed forces by around half. ‘Many of these ex-combatants have no skills other than fighting. Less than 10% of them can read and write. Nonetheless, their integration into civil society is one of the key factors that will >>



① Deng Agok Deng and, in the background, his family's new home ② There are plans to replace the old auction site with a new one, offering better conditions for livestock and traders. ③ Microloans give many women the chance to make their dream of setting up their own small business come true. ④ With support from GIZ, police officers are being trained in communications technology. Many of the participants were once fighters in the SPLA.

determine the success of the new state,' says programme manager Jean-Christophe Goussaud.

Despite the difficult starting conditions, the project has a good track record. Almost 90% of the participants completed the course, and two thirds of the graduates went on to set up their own business and have thus substantially improved their income situation. 'During the training, we learned how to read, write, count, do arithmetic, manage a business and handle cash,' explains Federico Ladu proudly. He set up his fish stall with four other training course participants. The ex-combatants sell up to 100 fish from the Nile here every day. With the profits, Ladu, who never went to school, is now sending his five adult children to evening classes.

With their fishmongering business, Ladu and his colleagues have successfully cornered a niche market, for previously fish barely featured in the diet of most South Sudanese. Beef, on the other hand, is very popular. Under a makeshift shelter constructed from plastic sheeting and sticks, veterinarian Günter Hartmann is chatting with auctioneers and cattle traders. On behalf of the EU, the GIZ project manager has set up a new livestock auction site near an old and dilapidated auction ground. However, the traders are still uneasy – the provincial government has yet to take steps to ensure that the police protect the new livestock auction site from rustlers. 'The new site is much better. As soon as there is a police presence, we will come, Günter,' say the traders, most of whom are from Darfur. 'The South Sudanese are looking to the future with optimism. More and more people can now afford to buy meat, and domestic demand is soaring. Our task now is to ensure, with our pilot projects, that this demand can be met with modern livestock auction sites and hygienic slaughterhouses,' says Hartmann during the inspection of the new auction site.

Some of the people who might soon contribute to the growing demand for meat are the members of a group of female entrepreneurs from Ayi village, who have been granted microloans under the supraregional Partnership Programme established jointly by the United Nations Refugee Agency (UNHCR) and BMZ and implemented by GIZ. 98% of the female entrepreneurs were

SOUTH SUDAN



> COUNTRY STATISTICS

Area in km²: 619,745
Capital: Juba
Population: 8.26 million*
Founded: 9 July 2011
Official languages: Arabic and English
Currency: South Sudanese Pound (SSP)

* According to the Fifth Population and Housing Census for Sudan as a whole, 2008
 Sources: Federal Foreign Office (AA), Wikipedia

THE PATH TO INDEPENDENCE

Sudan gained its independence from Britain in 1956. The country's history has been dominated by two protracted civil wars in which the mainly Christian south fought for independence and against oppression and discrimination by the mainly Muslim north. The Second Sudanese Civil War started in 1983. It lasted for 22 years and claimed around two million lives. It ended with the signing of the Comprehensive Peace Agreement in 2005, when the autonomous region of Southern Sudan was established. In a referendum in January 2011, almost the entire population of Southern Sudan voted for independence, which was achieved on 9 July 2011. The President of Sudan, Umar Hasan Ahmad al-Bashir, officially accepted the outcome of the referendum.

able to repay their loans within six months, which means that the funds can now be lent to other women.

Since the referendum early this year, when 98.8% of South Sudanese gave a ringing endorsement to independence, establishing their own independent state on 9 July, there has been a new mood of optimism in the world's youngest country. However, development is starting from scratch. The current wave of euphoria could easily give way to frustration unless the government acts fast and achieves visible successes. The German Government and GIZ are keen to support this process.

They have been active in Southern Sudan – with occasional interruptions due to war – since 1972. In a country where around 80% of the population depends on farming and whose agricultural potential is viewed by policy-makers and experts as the most important basis for sustainable development, agriculture and rural develop-

ment will be central to future cooperation. Deng Agok Deng, the returnee who is in the process of building himself and his family their first real home, could be one of those who benefits. As he says: 'Before I was forced to flee, I owned cattle. I would love to be a farmer again. I hope that someone somewhere will give me the help I need to make a new start.' ■

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FRESH IDEAS FOR BUSINESS

Anyone who wants to build up a successful business must always be open to innovation. That's no easy task – which is why, since 2008, innovation management advisors have brought fresh ideas to small and medium-sized enterprises in Tunisia, helping them to grow.

Text and photos Reiner Wandler



Pooling ideas: The Tunisian dairy company Vitalait involves staff from all departments in its product development.

Can anyone reinvent yoghurt? Vitalait can! 'We launch at least one new product every season,' says Jameleddine Zrelli, the financial director and CEO of this Tunisian dairy company. On a tray by his desk, he has set out an impressive array of his company's products: full-fat milk, low-fat milk, a milk and fruit juice blend, and above all, all kinds of yoghurt products – plain and with fruit, lite, creme dessert, yoghurt drinks, and yoghurt with active cultures to aid digestion. Anyone who has ever tried to choose from the wealth of yoghurt products on display in a European supermarket will understand why Zrelli is so driven: 'We have to develop our range of products on an ongoing basis; that's essential to ensure that our company continues to be commercially successful,' says the 54-year-old economist with conviction.

This has long been the norm in European companies, but for Vitalait, which is based just outside the Tunisian city of Mahdia, it's a revolutionary concept. For years, the company's output was based almost entirely on bottled milk and unpackaged butter. There was no clear corporate strategy; at the most, the company simply reacted to market trends. But today, Vitalait – which has 450 employees and was founded in 1998 – has several modern production plants and generates an annual turnover of 12 million dinars, making it a major player in the Tunisian dairy sector. 'We supply 20% of the dairy market and are the second largest dairy product company in Tunisia – after Danone!' says Zrelli, and adds proudly in English: 'Success story!' Three years ago, the dairy experts set out to develop a comprehensive growth strategy, which included targeted diversification of the product range. They did so with assistance from innovation management advisors – specialists who were trained by GIZ under the German-Tunisian programme 'Support for small and medium-sized industries with regard to the opening up of markets' commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ).

With the advisors' support, Vitalait expanded its product and market research and improved its marketing and communications

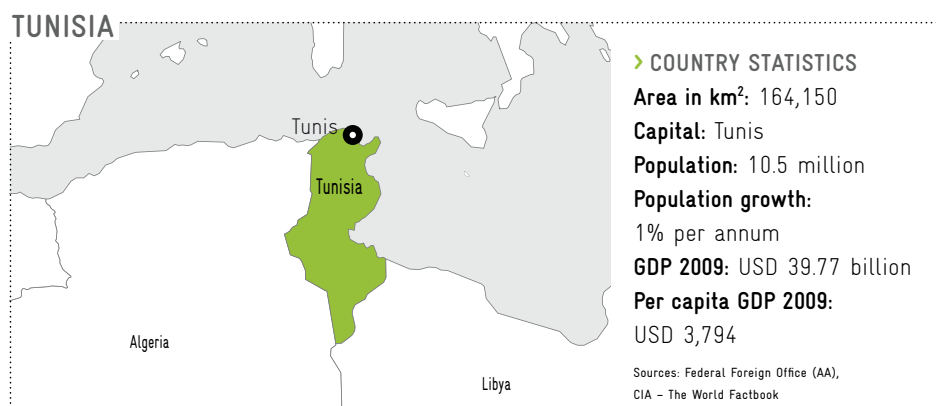
strategy. The company's fresh approach is going down well with consumers: when it comes to yoghurt, the younger generation in particular seems to be appreciating the ever-expanding assortment of forms and flavours. Over the next few months, Vitalait will therefore be launching even more varieties – enriched with all kinds of supplements, from vitamins to calcium and omega 3.

A fresh idea catches on

Product development is only one aspect of innovation management, however. 'We have adopted a completely new business culture,' says Zrelli. 'Before, the director never delegated anything. Now, we rely on brainstorming through-

out the company, right down to the production facilities.' This is democratisation, says Zrelli – very much in tune with the popular mood in Tunisia at present, where an uprising ended President Ben Ali's 23-year incumbency on 14 January this year.

'In 2008, when we presented our idea of deploying innovation management advisors, the relevant people in the Ministry of Industry didn't want to know. They were completely focused on supporting business start-ups,' says GIZ Programme Manager Philippe Lotz. So he spent six months travelling around the country, promoting the idea at trade fairs and congresses, organising debates, making contacts and setting up networks. Finally, his efforts paid off: the first business advisors were trained and sent »



AT A GLANCE

- Support for small and medium-sized industries with regard to the opening up of markets
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Partner:** Ministère de l'Industrie et de la Technologie (Ministry of Industry and Technology), Tunisia
- **Overall term:** 2004 to 2012

Tunisia is aiming to increase the international competitiveness of its national economy. Innovative capacities at enterprise level are indispensable in achieving an economically competitive system. The high level of unemployment among college graduates must also be reduced, ideally by increasing business start-ups, supported by well-performing public and private sector agencies. GIZ provides policy advice to the Tunisian Government and works with a network of innovation management advisors in various regions of the country. Direct cooperation is under way with more than 90 companies, and a number of public-private partnerships have been initiated.

» INTERVIEW

'DEFENDING NEW FREEDOMS'



Faten Basly is the Director General of the Chamber of Commerce and Industry in central Tunisia and Coordinator of the Regional Committee for Innovation.

Ms Basly, one of the main problems in Tunisia under President Ben Ali, who was ousted in January 2011, was corruption. What did that mean for companies in your country? Corruption didn't really affect small businesses. It mainly targeted the large, profitable companies. They had to make a choice: either they opened up their capital to the representatives of the old regime, or they found themselves in difficulties. Many investors left the country.

Does Tunisia now have an image problem with investors?

We need to restore confidence if we are to attract foreign investors again. I myself am very optimistic. We have a well-educated workforce and Tunisian society is very open and is looking to the future.

How is the concept of innovation going down with Tunisian businesses?

When we started talking about innovation back in 2008, everyone just gazed at us in amazement. Today, everyone is talking about innovation because our projects have been so successful, and that's a good thing. Ongoing innovation is needed across the board if our economy is to remain competitive.

The country is still in a state of flux. How do you see the situation developing in political terms?

A revolution is a complex process. It's not just a matter of one or two months. The contours of the new political landscape will emerge gradually. I'm sure, though, that young people and especially women will defend the freedoms that we have gained. Tunisia will be a country where freedom of expression prevails.

Interview: Reiner Wandler

out to local companies which had been chosen with the help of the regional chambers of commerce and industry.

One of them is the Segni bakery in Kairouan. Chebli Najeh is responsible for quality control, production and innovation at this traditional company. A qualified food technologist, she used the advice as a basis for further

expanding her own skills and knowledge and for developing new management strategies and methods. The 26-year-old lists what she has learned: 'Brainstorming, strategic development, grading, precise definition, and implementation.' She was able to put her new-found theoretical expertise into practice at Segni straight away – and as with Vitalait, a traditional



1 Jameleddine Zrelli strives for constant innovation in all aspects of his company's operations.

product was reinvented: makroud, the small semolina pastries stuffed with dates that are typical of the region. The bakery is well-known for its makroud throughout the Kairouan area, with a reputation built up over 50 years. For the past few years, the company has supplied supermarkets throughout the country with its branded product and even exports to Algeria, Morocco, France and Italy. The summer months are a particularly busy time for the small production facility near the old town, for summer is wedding season in Tunisia, and no wedding celebration would be complete without makroud. The family-owned company supplies up to five tonnes of the sweet pastry during the high season, when it employs up to 80 staff.

'This success is the result of our strategy,' says Najeh. 'We have developed new flavours and brought a "makroud lite" to market as well.' The 'lite' variety has less sugar and is stuffed with a different type of date paste which has



② Thanks to the input of the innovation advisors, the Segni bakery has raised its quality standards even further and has achieved ISO compliance. ③ No wedding celebration in Tunisia is complete without makroud: in the summer – the wedding season – tonnes of this sweet pastry are supplied to local shops.

only half the calories of the conventional product. ‘The “lite” version is even suitable for diabetics,’ says Najeh.

But it’s not just the product range that has been given a facelift following the innovation management advice; the same applies to the production process: ‘We have introduced an automated production line and introduced better quality standards,’ says Chebli Najeh. The pastry now complies with the current ISO quality standards for food processing companies – an essential prerequisite for export to Europe.

Fit for the world market

The concept of ongoing development and innovation – a key focus of the German-Tunisian economic development programme – is now well-established at higher levels as well, with Tunisia about to enter into a privileged partnership with the European Union. ‘If our compa-

nies are to remain competitive in future, we have to be innovative,’ explains Faten Basly. She is the Director General of the Chamber of Commerce and Industry in central Tunisia, one of the country’s wealthiest regions. It is here that the cities of Kairouan, Monastir and Sousse are located, and with an area of around 220 square kilometres, the region is home to some 2.1 million people – 20% of the Tunisian population. Around 1,700 companies with 10 or more employees are located here, mainly operating in the textile, food, automotive supply and chemical industries.

Faten Basly and her team helped GIZ to identify a total of 95 companies such as Vitalait and Segni nationwide. At the same time, the Chamber set up a Regional Committee for Innovation, whose membership includes six business advisors and a total of 59 companies, associations and public bodies. When the German-Tunisian development programme comes to an

end in 2012, the Committee will take the work forward: ‘We are promoting the new corporate culture through presentations and at trade fairs,’ explains Basly. Expert committees are also being set up and market analyses carried out in order to support the companies. Last but not least, the Committee is involved in networking with the universities in order to ensure that the concept of innovation is also integrated into training and education. Lecturers with sound practical experience are given preference in the selection process: one of those teaching the top managers of tomorrow is Jameleddine Zrelli from Vitalait. ■

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Journalist Bettina Ruigies uses her skills and expertise to support the development of community radio in Kyrgyzstan.

OUT AND ABOUT

A BRIDGE TO THE WORLD

WHEN RADIOMOST - which means Radio Bridge - goes on air, almost everyone in the Talas River valley in Kyrgyzstan tunes in. Since 2007, this community radio station has provided its 120,000 listeners with coverage of local and global affairs for a full 14 hours a day. 'In this area, many people previously had no access to independent media,' explains German journalist Bettina Ruigies. 'For these people, Radiomost is a bridge to the outside world.' The fact that this bridge exists at all is due in no small part to Ruigies' efforts. In 2006, the Centre for International Migration and Development (CIM) deployed her as an integrated expert at Mediamost, a non-governmental organisation in Kyrgyzstan. 'Since then, I have worked with local colleagues, writing and implementing project proposals for the development of community radio - and covering everything from technical issues to content and broadcasting licences,' says Ruigies. The community radio stations are intended to support the development of democracy and civil society in Kyrgyzstan - and in the Talas River valley, it has worked well: 'The local communities are now producing their own programmes with content that is important to them,' says Ruigies. And soon, they won't be the only ones: Mediamost plans to launch a further three community radio stations before the end of 2011.



Kyrgyzstan has a population of around five million, comprising more than 80 different nationalities. The country gained its independence in 1991. Major unrest broke out in the south of the country in early 2010.

Arthur Wallach visited Bettina Ruigies in Bishkek.



Bettina Ruigies (centre) and Arthur Wallach in the studio at the Bishkek-based radio station Tumaer, which provides technical support to the community radio stations.

ONE QUESTION, FIVE PEOPLE

DEVELOPMENT SHOULD ...

Five members of GIZ's staff tell us which development goal they regard as most important.

1

BERND DUMKE
has worked in GIZ's Benin office since August 2010, where he is Regional Administrative Manager for Benin and Togo.



'... adopt a holistic approach.'

Development should not be limited to specific sectors.

DR ANNETTE ROTH,
Rural Development,
Resource Management,
Water, Bonn



'... pursue a responsible and forward-looking approach.'

Development should increase respect for human rights and help to make them a reality. A good life for every individual, today and for future generations, should be the goal of all our development efforts. That includes the conservation and sustainable management of natural resources.

2

3

MAGUED YOUSSEF
has managed the GIZ Regional Office in Cairo since 2007.



'... reconcile global and national objectives.'

Development cooperation should involve processes that bring benefits for all stakeholders: realistic individual freedoms, well-designed organisational structures, and visions which arise systemically. Success depends on achieving a balance between national and global objectives.

SILKE FEIL-SCHWAMBORN,
Sustainable Technology, Industrial and Urban Development, Bonn



'... contribute to global resource justice.'

The emerging and industrialised countries have a particular responsibility to identify low-carbon development pathways. In my area of work, it is important to increase the competitiveness of companies through resource-efficient, low-carbon, equitable corporate leadership and thus contribute to poverty reduction.

4

5

CLAUDIA HERMES
has worked for GIZ since 2006 and is currently the Director of the GIZ programme 'Capacity development for the transport sector' in Liberia.



'... be supported by as many people as possible.'

The challenge in Liberia is to find ways of ensuring that as many people as possible derive tangible benefits from the peace dividend. During the development of the transport master plan and national transport policy, there was passionate debate about how the infrastructure could be rebuilt on a sustainable basis, thus reducing poverty. And this debate is not over yet!



Kofi Annan: the driving force behind the Global Compact initiative

Au Entrepre Re Power Re

PRINCIPLES FOR BUSINESS

By joining the United Nations Global Compact, businesses commit to aligning their operations with universally accepted principles of corporate social responsibility. But it's not just about image: compliance is expected from everyone who signs up. The public keeps a close eye on progress.

Text Jörn Leonhardt

The global economic and financial crisis has made one thing absolutely clear: an economy that focuses solely on maximising profits will not go the distance. Ethical principles are becoming increasingly important, not least among consumers. 'Corporate Social Respon-

sibility' (CSR) – the term used by experts to describe a responsible and sustainable way of doing business – has become a global trend over recent years.

No wonder, then, that business initiatives such as the United Nations Global Compact

are enjoying a massive surge in membership. With more than 6,000 businesses in 135 countries around the world, the Compact is the world's largest and most important corporate citizenship and sustainability initiative. In 2010 alone, more than 1,700 companies and organi-

PHOTO: MIKE HUTCHINGS/REUTERS/CORBIS

Universal ideals Creative forces Needs of the disadvantaged of markets Requirements of future generations

sations joined the initiative, including industry giants such as the Metro Group, Michelin and Mitsubishi. The idea is very simple: on signing up to the Global Compact, businesses voluntarily undertake to uphold the Compact's 10 principles in all the countries in which they operate. These principles include the protection of the environment and health, the abolition of child labour and discrimination, labour rights, respect for human rights, and anti-corruption measures (see Box). Participating companies and civil society organisations and their activities are featured on the Global Compact website (www.unglobalcompact.org).

Discussion, not regulation

The Global Compact initiative was launched by the then UN Secretary-General Kofi Annan in 1999. Annan was responding to the wide-

spread concern that globalisation was causing a decline in social, environmental and human rights standards. Since then, the United Nations has managed the network from an office in New York. The Global Compact is organised in national and regional networks; more than 90 of these networks are now in existence.

GIZ in Berlin has been coordinating the German Global Compact Network (DGCN) since 2001 on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ). 'The network sees itself as a platform for learning and dialogue,' says GIZ's Ann-Ulrike Henning, who heads the liaison office and its small team of staff. 'Three working meetings are held in Berlin every year, giving companies an opportunity to talk about how they are implementing the 10 principles. The focus is on joint learning and discussions.' For some

years now, the liaison unit has also provided advice to companies. Specialist discussions that are open to the public and focus, for example, on the role of companies in humanitarian disasters or the management of biodiversity are also among the services offered. The German network now has more than 150 corporate members, as well as around 50 members from the scientific community, politics and civil society.

CSR pays off

A responsible and sustainable approach to business operations brings economic benefits to companies as well: after all, it makes good commercial sense to conserve resources and energy, thus saving costs. Furthermore, a good working environment with a focus on the protection of labour rights and health has a »

‘Let us choose to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.’ Kofi Annan

positive impact on workforce motivation and productivity.

Then there are the indirect benefits: companies that are committed to CSR have a positive image and more resonance with clients and employees alike. They find it easier to attract new recruits and improve their international competitiveness. However, this is what makes

the Global Compact attractive to the ‘black sheep’ as well: ‘Certainly, there is a risk that some companies will use the Global Compact logo simply as a PR and marketing tool and only comply with the 10 principles on paper,’ says Ann-Ulrike Henning. The term ‘blue-washing’ – blue being the UN colour – was coined long ago to describe this kind of behaviour.

The voluntary nature of the commitment (‘volunteerism’) as the basis for the Global Compact is irksome to critics. Although members are required to report on their activities on an annual basis, the content of these ‘communication on progress’ reports is not verified for accuracy by the Global Compact itself. Nonetheless, any member failing to fulfil their reporting obligations is excluded from the Compact. So far, more than 2,300 companies have been removed from the list of members, including 900 in 2010 alone. Being dropped from the Compact results in a loss of prestige for the companies concerned, but no direct sanctions are imposed.

Pressure from the public

‘Nonetheless, it would be wrong to claim that Global Compact is ineffective,’ says Henning. ‘Any organisation that commits to uphold the 10 principles – even if it’s just to polish up its image – has to measure up to this commitment.’ There is massive pressure from the public: as well as the companies’ own workforce, journalists and non-governmental organisations keep a very close eye on company activities and investigate if necessary. The focus on ethical issues creates a momentum of its own that large companies in particular find difficult to sidestep.

The Global Compact is no substitute for government regulation. Nonetheless, it can help to ensure that international companies act in a responsible manner and in accordance with the Compact’s principles in areas where no national laws are in place. The network does not see its role as being to exert political control over globalised markets or to provide a seal of approval for CSR. Instead, it offers companies a platform for the exchange of experience and the further development of ideas. ■

› THE GLOBAL COMPACT’S 10 PRINCIPLES:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

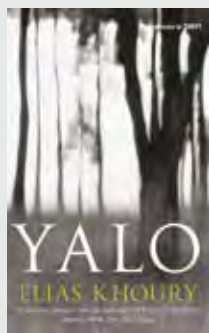
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

RECOMMENDED READING

NEW LITERATURE FROM ALL OVER THE WORLD



YALO IS IN SEARCH of love, but he is the product of war, both a victim and a perpetrator. The scion of a Christian family in Lebanon, he is a former soldier turned criminal. In confessions extracted under torture while in prison, he recounts his memories again and again in a rondo of suffering. This literary masterpiece is an urgent and compelling appeal for humanity and diversity.

Cornelia Zetzsche, moderator and literary editor at Bayerischer Rundfunk



A SHORT BOOK but a major work: local people – poor farmers – flock to the yearly fair in Zapotlán el Grande, a small town in Mexico, for their annual celebration. The past is a powerful presence in their thoughts and emotions.

In his fast-paced novel, Arreola narrates the story of a fair that ends in an orgy of drunkenness, against a backdrop of centuries of isolation, oppression and resistance in provincial Mexico.

Karl-Markus Gauß, writer, critic and publisher



IN THIS LITERARY CHRONICLE of Iraq from 1940 to 1980, Wali combines personal life stories and major events with masterful skill. It is a work in which utopia and negation are expressed simultaneously by an un-

Islamic Arab and great cosmopolitan.

Andreas Fanizadeh, culture editor at Tageszeitung (taz)

Elias Khoury: Yalo. Published in English by Quercus. ISBN: 978-1906694814

Juan José Arreola: La Feria. Published in Spanish by Booket Joaquin Mortiz. ISBN: 978-9682710070

Najem Wali: Engel des Südens. Published in German by Hanser Verlag. ISBN: 978-3446236431

👉 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 the best new novels.

GIZ-PUBLICATIONS

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

👉 www.giz.de/publications



Piecing it together for women and girls: The gender dimensions of HIV-related stigma. Sarah Middleton-Lee. Available in English.



Energie ist Zukunft. Erfolgsgeschichten aus Lateinamerika. Jörn Breiholz, Michael Netzhammer. Available in German.



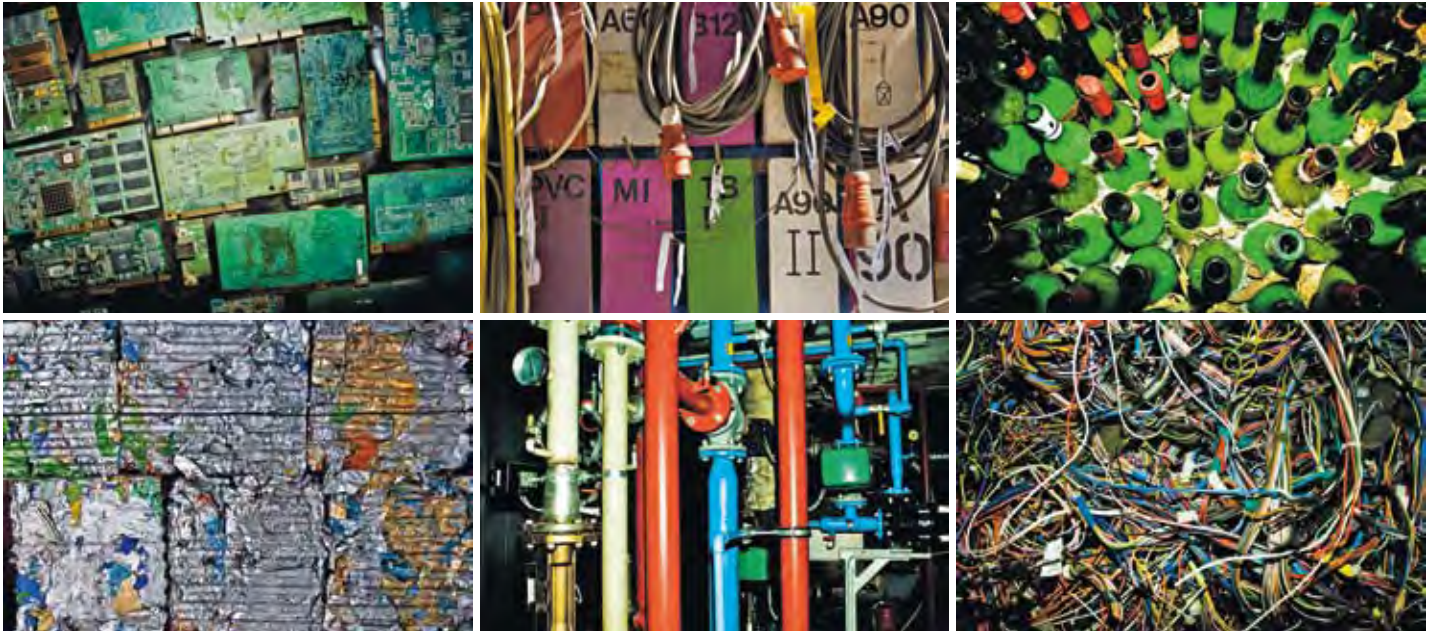
Annual Report 2010: Responsible economic action – sustainable development. Available in German and English; abridged versions available in German, English, French and Spanish.



Adaptation to climate change: New findings, methods and solutions. Anselm Duchrow et. al. Available in English.



Fast growth and big impacts: How Emerging Market Multinationals are advancing sustainable development. Christina Gradl et. al. Available in English.



What does responsible economic action mean? At the current exhibition at the GIZ Representation in Berlin, nine photographers provide answers.

SUSTAINABILITY – A MATTER OF PERSPECTIVE

PHOTOGRAPHY On 17 February 2011, the photographic exhibition for GIZ's 2011 Spotlight of the Year, focusing on 'Responsible economic action – sustainable development', was formally opened in Berlin. In late 2010, nine photographers from Germany, Kosovo, China, India, Algeria and Viet Nam participated in a roadshow that took them from Bonn to the small town of Witzenhausen in northern Hesse and finally to Berlin. At all three places, they took photographs to illustrate their take on this year's Spotlight. The results reflect a range

of perspectives: the Algerian photographer Rafik Zaidi focused his lens on rivers and water treatment plants in order to depict the water cycle, while Atdhe Mullah from Kosovo created portraits of people working on the issue of sustainability. For the past three years, GIZ's Berlin office has organised photographic workshops on each Spotlight of the Year. The latest photographic works are on display at the GIZ Representation in Berlin until the end of the year and can also be seen in the LVR-LandesMuseum in Bonn from late September onwards.

Further exhibitions are scheduled to take place in Brussels, Algeria, China, France and other countries.

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Photographic exhibition: until December 2011
Venues: GIZ Representation Berlin, Reichpietschufer 20, 10785 Berlin, Germany (until December 2011); LVR-LandesMuseum Bonn, Colmantstr. 14-16, 53115 Bonn, Germany (28 September to 22 November 2011)
www.giz.de/spotlight

PHOTOS: ANDY SPYRA, CHRISTOPHE GATEAU, JÖRG BÖTHLING

PREVIEW

akzente – issue 04/2011

RESOURCES Is resource wealth a blessing or a curse? In sub-Saharan Africa, the potential government revenue from oil production could generate financial resources well in excess of the funding that is needed to attain the Millennium Development Goals (MDGs). However, as a result of poor governance and economic mismanagement, this revenue is not being generated in the first place. Instead, over-dependence on the resource sector leads to corruption and creates substantial conflict potential. How can international cooperation help to ensure that partner countries translate their natural resource wealth into sustainable development? For answers, don't miss the next issue of akzente.



AUTHORS AND PHOTOGRAPHERS FEATURED IN THIS ISSUE



Anoush Aslanyan works for GIZ Armenia as a local economic development advisor. She took the photograph for the 'Through the lens' section.



Sabine Schiemann is an art director at muehlhausmoers kommunikation and illustrated the cover story and the 'Background' section.



Paul Hahn is a freelance photographer. For this issue of akzente, he took the portrait shot of Federal Minister Dirk Niebel. www.paulhahn.de



Michael Tsegaye is a freelance photographer living in Addis Ababa. He took the photographs for the article on South Sudan. www.michaeltsegaye.com



Philipp Hedemann is a freelance journalist and photographer. He witnessed the birth of South Sudan in Juba.



Arthur Wallach works for GIZ at the Centre for International Migration and Development (CIM). He visited Bettina Ruigies in Kyrgyzstan.



Hanna Labonté is a researcher specialising in Islamic studies and living in Riyadh, the capital of Saudi Arabia. She wrote the article about organic farming.



Reiner Wandler is a correspondent for various newspapers. He reports on Portugal, Spain and North Africa. www.reiner-wandler.de



Jörn Leonhardt works in GIZ's Corporate Communications Unit. He wrote the article about the Global Compact.



Andreas Wolf is a freelance photographer. He lives in Saudi Arabia and took the photographs for the article on organic farming. www.andreaswolf.at



Michael Netzhammer is a freelance journalist specialising in development issues. He explored the relationship between urban and rural regions.



Gabriele Rzepka has many years of experience as a freelance journalist, writing about development issues and technology.

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