

The GIZ Magazine

akzente

Resources

Resource wealth – blessing or curse?

OTHER TOPICS:

Continent of the future: vocational training for young African managers in Germany

Judicial reform: progress in Armenia, Azerbaijan and Georgia

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Dorothee Hutter,
Director of Corporate Communications

Dear reader,

What do you think of when you look at your mobile phone? Its good range of functions? The ability to check emails whenever you like? Optimum network coverage? Or are you more concerned with coltan, cobalt and palladium? Words like these are cropping up more and more in the media. And foreign as they may seem they are already a part of our everyday lives, because as materials for key components used in many high-tech products they are mineral resources we carry about with us all the time. When it comes to commodities, most people automatically think of the rising price of gold and silver, the dwindling reserves of fossil fuels and the worldwide search for those rare earth metals we need for economic and technological progress. And perhaps also of a desire to see some of the enormous profits generated by the extraction of raw materials finally benefiting people in the countries where they are mined.

On behalf of the German Federal Government, GIZ advises partner countries on achieving greater transparency in the commodities sector. The efforts being made to ensure that oil and gold are a blessing not a curse to the states in question is the subject of this issue's IN FOCUS feature. While Angolan writer José Eduardo Agualusa offers us an entirely different perspective.

The current issue also explains the meaning of AFRIKA KOMMT!, reports on disaster risk reduction in Central America and reveals how GIZ is providing young people with opportunities to gain experience abroad.

I hope you find this issue both interesting and informative.

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

Dorothee Hutter



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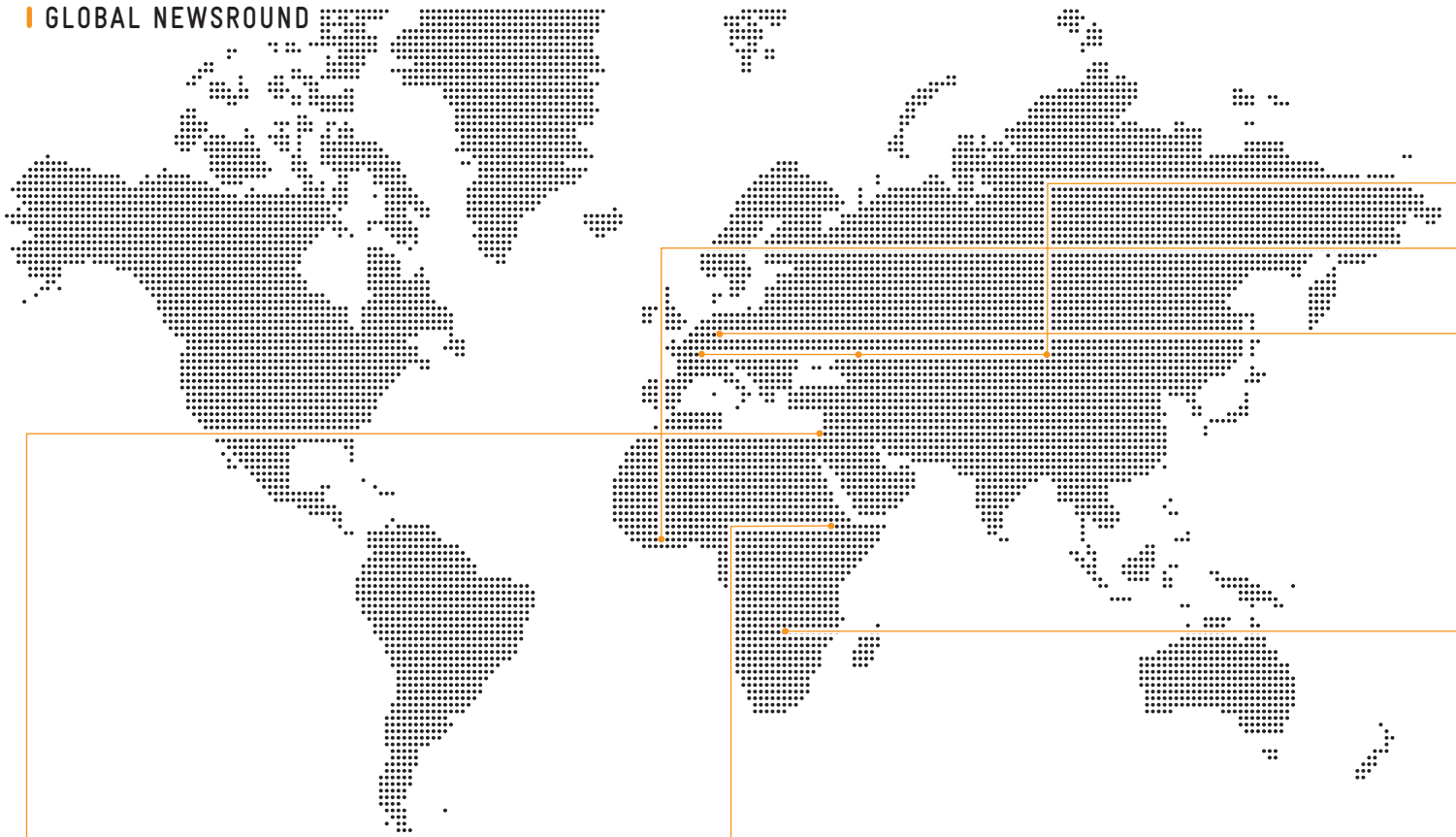
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GAZA STRIP

New horizons for creative youngsters

The Gaza Strip is one of the most densely populated regions on earth. Daily life is tough. The summer camps organised by GIZ on behalf of BMZ not only provide distraction for many young people but also hold up the prospect of a better future. The focus of the camps is on art and cultural activities as an important means of psychosocial support. This year's summer camp was attended by 800 young people, who seized the varied opportunities on offer to experiment creatively and share learning experiences. In addition to workshops on social commitment and vocational training, the summer camp's four-week programme also included performances of plays, poetry and hip hop – all created by the youngsters themselves. The local partners are looking forward to staging the summer camps again next year in collaboration with GIZ.



Getting creative at the GIZ summer camp in the Gaza Strip

ETHIOPIA

Weathering the crisis



On 15 to 16 September 2011, over 300 finance experts from 40 countries met at the Making Finance Work for Africa (MFW4A) Partnership Forum in Ethiopia to discuss prospects for the financial markets in Africa. The event was also a platform for the launch of Financing Africa – Through the Crisis and Beyond, a joint publication by the African Development Bank, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the World Bank. MFW4A is an initiative that supports the development of the African financial system. It offers a platform for African governments, companies and development organisations to coordinate measures across the continent as a whole.

www.mfw4a.org/2011forum

SUB-SAHARAN AFRICA

The high-tech route to success



Cashew tree with fruit – known as cashew apples

The Brong-Ahafo region in Western Ghana is home to the Wenchi Cashew Union. As part of the African Cashew Initiative (ACI) – the programme financed by BMZ, the Bill & Melinda Gates Foundation and a number of European and US companies with a view to helping farmers boost competitiveness – the Union is currently testing an application developed by software manufacturer SAP. Based on smartphone and laptop technology, the application is designed to make the cashew value chain more transparent and more efficient. Until now, handwritten documentation provided the only record of how many kilos of cashew nuts each farmer supplied to the Wenchi Cashew Union. Thanks to the new app, the sacks of cashews can now be scanned by smartphone and the weight logged under the farmer's name on the mobile phone. The managing director of the Wenchi Cashew Union can also use the application to oversee stock, to know exactly how many cashews have been sold and by whom, and where a shipment can be dispatched for processing.

ZAMBIA

Playful approach to health education

'Say NO to polluted water, street waste, vermin and germs that spread disease!' urged the slogan of the Health Olympics, which were held in August in Lusaka, Zambia. The event was organised by GIZ as part of the BMZ-financed programme Youth Development through Football (YDF) and the project Reform of the Zambian Water Sector. GIZ cooperated with the Japanese development organisation JICA, the German and Japanese Embassies and KfW Entwicklungsbank. An interactive circuit gave the 150 young participants a chance to test and develop their knowledge on issues of health and hygiene. The circuit included an HIV/AIDS point, which provided information on how HIV is transmitted, how transmission can be prevented and how those infected with HIV can be supported.

EUROPE, CAUCASUS, CENTRAL ASIA

Joint office in Sarajevo

The new joint office of GIZ and KfW Entwicklungsbank was opened in Sarajevo in early July at the Importanne Centar business premises. Also present at the opening ceremony were the Deputy Chairman of the Council of Ministers of Bosnia and Herzegovina, Dragan Vrankić, and the German Embassy chargée d'affaires in Sarajevo, Christiana Markert. GIZ has been working in Bosnia and Herzegovina on behalf of BMZ since 1995. Its activities focus on sustainable economic development, promoting democracy and strengthening civil society. Since September 2010 the GIZ Sarajevo office has also been the headquarters for regional activities – such as the Open Regional Fund (ORF) – covering topics such as foreign trade, legislation, municipal services and energy. KfW Entwicklungsbank has been active in Bosnia and Herzegovina on behalf of BMZ and other, international donors for many years. It started out supporting Bosnian housing construction and providing funding for small and medium-sized enterprises through a variety of lending programmes. Since 2001, the focus has been on improving energy production, as well as developing and expanding municipal infrastructure and the financial system.

GERMANY

Ten years of representation in Berlin

GTZ opened its Berlin office in September 2001. Initially there were six employees. Their office was a building site, the office furniture made of packing boxes. There were no telephones, no com-



puters, nothing with which to get started. 'I still remember the caretaker at the time, Götz Pfitzke, a former shipbuilder, placing a GTZ flag on a box in the middle of the room. It represented the launch of our ship,' says Franziska Donner, who directed the Representation from 2001 until 2008. Things have come a long way since then: the building site on the Reichpietschufer is now an impressive location; in early 2011, GTZ changed its name to GIZ; and instead of just six staff, GIZ today has many employees working at various Berlin locations. 'Today we are really well connected,' says Klaus Brückner, who has been Director of the Berlin Representation since 2008. 'We have excellent links to the Federal Government and the Bundestag, to non-governmental organisations and cultural institutions.' All of which helps stimulate interest in international cooperation and provides a platform for shaping discussion in Berlin.

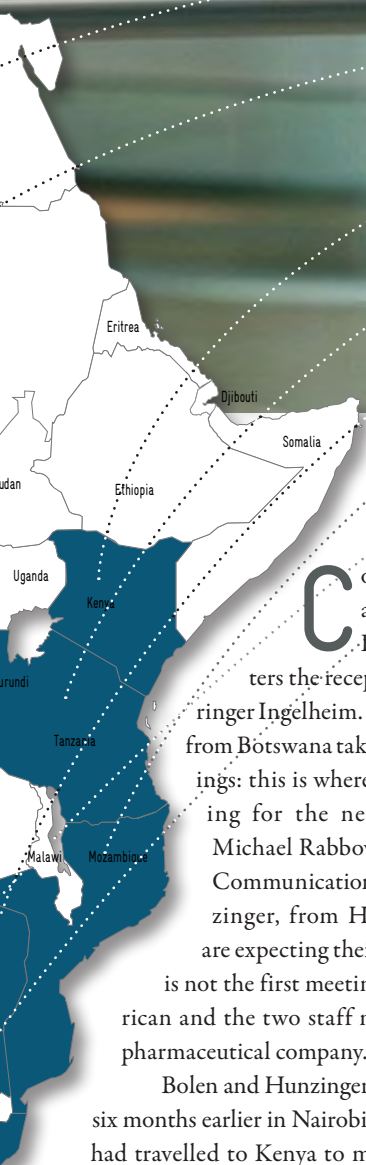


Enterprising: Boipelo Bolen from Botswana and 16 other young Africans

CONTINENT OF THE FUTURE

19 German companies want to support economic development in sub-Saharan Africa. As part of the AFRIKA KOMMT! initiative, they are offering in-house vocational training in Germany for young managers from Africa. One such company is Boehringer Ingelheim.

Text Gabriele Rzepka



Confident and with a friendly smile, Boipelo Bolen enters the reception hall of Boehringer Ingelheim. The young woman from Botswana takes in her surroundings: this is where she will be working for the next nine months. Michael Rabbow from Corporate Communications and Beate Hunzinger, from Human Resources, are expecting their new colleague. It is not the first meeting between the African and the two staff members from the pharmaceutical company.

Bolen and Hunzinger first crossed paths six months earlier in Nairobi. The HR manager had travelled to Kenya to meet a group of 64 highly motivated young people from 14 African countries. Together with Heiner Boeker, Bosch GmbH, and two GIZ experts, her task was to select 17 candidates to spend one year living

and training in Germany. Launched three years earlier by Bosch and 18 other German companies, the initiative goes by the name AFRIKA KOMMT! ('Africa is coming!'). These companies give young managers from sub-Saharan Africa the opportunity to learn first-hand how German companies operate, while developing their own management and leadership skills. Close cooperation of this sort builds lasting partnerships and helps develop networks between Germany and Africa.

Boipelo Bolen and her colleagues are the second group of young professionals from Africa to be received and welcomed by the host companies. Once they have completed the preparatory phase, including a four-month language course, the participants will be officially welcomed in Berlin by Federal President Christian Wulff and high-ranking representatives of the host companies. After that, participants will be closely integrated into the day-to-day operations of their host companies. »

AT A GLANCE

- **Participating companies:** BASF SE, Bayer AG, Boehringer Ingelheim GmbH, Robert Bosch GmbH, Commerzbank AG, Continental AG, Daimler AG, Deutsche Bahn AG, Deutsche Telekom AG, E.ON Ruhrgas AG, Merck KGaA, SAP AG, Schott AG, Siemens AG, Volkswagen AG, Adolf Würth GmbH & Co. KG, ZF Friedrichshafen AG
- **Cooperation partners:** Robert Bosch Stiftung GmbH, Zeit-Stiftung Ebelin und Gerd Bucerius SöR
- **Donors:** Deutsche Bank AG, Hochtief AG
- **Number of participants:**
2008-2010: 20
2010-2012: 17

👉 www.afrika-kommt.de

Spoiled for choice

A total of 1,697 young Africans applied for one of the 17 scholarships; just 64 of them made it through to the final round of selection. The jury's criteria were stringent, Hunzinger recalls: 'We were looking for open-minded people with a desire to learn and a readiness to commit themselves fully to the German experience. We wanted people who would bring African culture to us, as well as take a piece of our culture back home with them.' It was also important to match the applicants' professional profiles with the work placements in the host companies.

Boipelo Bolen had what the jury was looking for. She and her colleagues have now been learning German for three months and soon she will be setting off to Boehringer in Ingelheim. Alongside her new boss, Judith von Gordon, Head of Global Media & PR, she casts her eye with interest over her future place of work. Bolen gave up her job as PR manager at the Ministry of Energy in Botswana to take part in the programme. 'My ambition here is to learn how to manage, organise and develop a PR department so that everything runs really well. Some people find Germans rather rigid and inflexible. That's not at all how I see it. Their reputation for expertise and efficiency is based on knowing what they want and having the determination to achieve their goals.'

Responsibility for major projects

Bolen feels she has landed on her feet in the Corporate Communications Department at Boehringer Ingelheim. Since the family-owned company sells its products worldwide it has to develop international communications strategies. Today, the company makes increasing use of social media for image and product communication. Von Gordon is keen to pass on such expertise: 'We're doing some good work in this



GIZ'S ROLE

GIZ plans and organises the AFRIKA KOMMT! initiative on behalf of participating companies. GIZ was awarded this contract on account of its experience with long-term scholarship programmes and its infrastructure in Germany and Africa. Its responsibilities include:

- selecting participants
- planning and managing the overall programme
- quality assurance
- organising language and management courses for participants
- supporting scholarship holders during their internships
- monitoring the training process
- professional and personal support for participants
- developing an alumni network
- analysing and evaluating the programme

area. These are the sort of things I would like to share with my colleague from Botswana, to give her an idea of how to make the most of this form of communication.' The focus is not just on technical expertise, however. Management skills are also covered. And Bolen will learn a lot in this regard from the corporate communications team, since at Boehringer Ingelheim she will be responsible for some complex projects. In addition, all scholarship holders will attend a one-month management course, where they will underpin their in-house practical experience with theoretical knowledge on all aspects of project management, project planning and HR management. According to Beate Hunzinger, the basic aim of AFRIKA KOMMT! can only be achieved if scholars embrace the entire package. 'We want to be part of a German group of companies that provides vocational training for young African professionals and junior executives. The young people then take what they

have learned here back to their home countries, where they can help shape and quicken the pace of economic development.' Scholarship holders will be given the tools with which to implement plans of their own at home. 'I dream of setting up my own image consulting company one day. I would like to train up people from my own country. Everything I learn in Germany I will be able to pass on to others in

Botswana: to colleagues, to friends, to my family. After all, I'm not just taking home expertise, I'm also learning an incredible amount about myself,' explains Bolen.

Useful contacts

The stay in Germany is also an opportunity to develop close personal and professional contacts. So if at some time in the future Bolen seeks professional guidance, she will be able to pick up the phone and ask a colleague at Boehringer Ingelheim with a minimum of red tape. However, the reverse is also possible: 'If Boehringer Ingelheim is ever interested in developing business contacts in Africa, I will be in a position to help open certain doors more easily,' affirms Bolen. The networks that develop from such relationships are what really matter. That's why the German companies involved recognised that these had to be formalised from the outset. So on behalf of the companies, GIZ set up an alumni network with the first cohort of scholarship holders, which gave former and current participants a platform on which to exchange experiences. On the last Thursday of each month, Bolen and her group have an opportunity to ask old hands questions, glean advice and get their take on things. And it is not just a platform for African participants to talk among themselves; representatives of the German companies go along too.



Scholarship holders and German colleagues learn from one another (pictured: Boipelo Bolen and Judith von Gordon).



The outlook is good for Boipelo Bolen (pictured with Beate Hunzinger).



Professional and private contacts strengthen German-African business relations.

Along with Beate Hunzinger, Michael Rabbow from Boehringer Ingelheim also shares responsibility for the company's part in the AFRIKA KOMMT! initiative. 'With each year of the scholarship we learn more from the programme. The intercultural exchange between scholarship holders and the company works very well indeed. And it doesn't stop once the scholarship period has ended.' Boehringer Ingelheim's previous scholarship holder came from Rwanda. Today he is attached to the German Embassy in his home country and remains in close touch with his host company. The vision of a German-African network dreamed up by German entrepreneurs back in 2008 is increasingly becoming reality. And for Rabbow the reason is simple: 'Africa is the continent of the future!' ■

» INTERVIEW

'LONG-TERM PARTNERSHIPS'



Heiner Boeker is Human Resources Manager at Robert Bosch GmbH and was involved in the candidate selection process.

What was the idea behind the AFRIKA KOMMT! initiative?

We, the companies involved, believe in Africa's potential. The aim of this initiative is to create a win-win situation both for programme participants and for the companies: the companies can develop contacts with young professionals in Africa at an early stage; and the participants themselves acquire not just technical and methodological expertise, but also linguistic and intercultural skills. They are then able to establish important business links with Germany. For Tilman Todenhöfer, our company's managing partner and the programme's initiator, as well as for the 19 founder companies, this was the vision behind AFRIKA KOMMT!.

How do the scholarship holders strengthen business relations between Germany and Africa?

The personal relationships between the people involved make an excellent basis for active networking. The work with alumni is crucial to sustainability. Former participants provide feedback on the experiences and challenges they faced both during the programme and on returning home. They take on a key role as opinion leaders in their homeland.

What prospects does this programme bring to you as an entrepreneur?

For German companies it brings the prospect of long-term cooperation. For many years now, close relations have existed within Europe and North America. Now new links have been developed with South America and ten years ago we had similar circumstances in terms of business activities with Asia. AFRIKA KOMMT! is helping with the ongoing development of opportunities for German and African companies.

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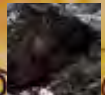
PHOTOS: BOEHRINGER INGELHEIM (6, 8), GIZ (7), ROBERT BOSCH GMBH

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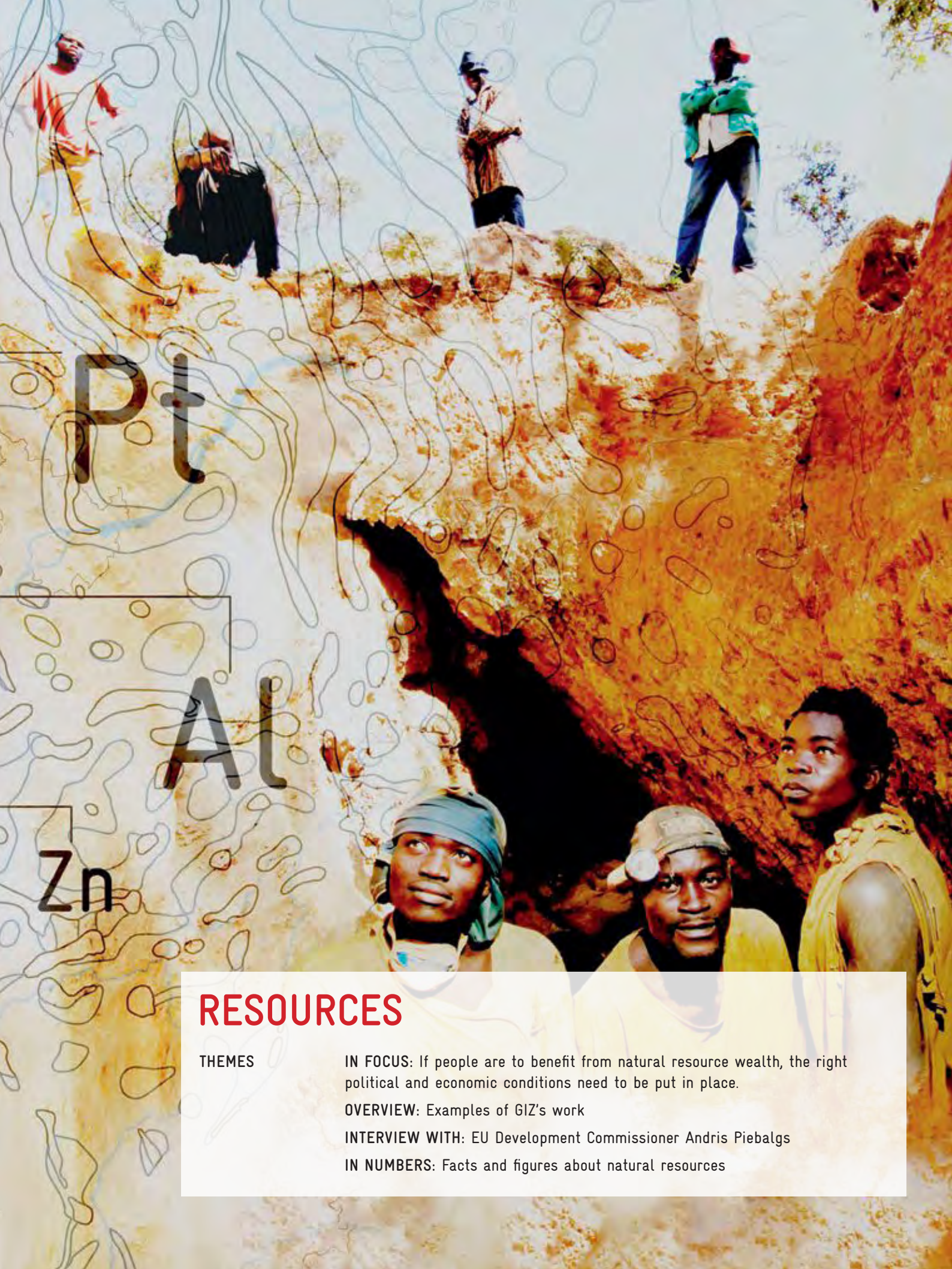


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RESOURCES

THEMES

IN FOCUS: If people are to benefit from natural resource wealth, the right political and economic conditions need to be put in place.

OVERVIEW: Examples of GIZ's work

INTERVIEW WITH: EU Development Commissioner Andris Piebalgs

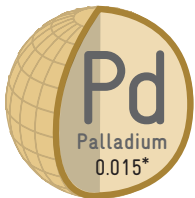
IN NUMBERS: Facts and figures about natural resources

Blessing or curse?

Natural resource wealth is not always a blessing. Often, it goes hand in hand with poverty, corruption and conflict and seems to hinder rather than help sustainable development. For mineral wealth to have a positive impact, you need transparent policies and commodity flows and sustainable production systems.

Text Petra Hannen Illustrations Britta Siebert

THE RAREST
ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)

Source: Israel Science and Technology, www.science.co.il

Most people think of oil states as wealthy states. But Nigeria proves that sometimes the opposite is true. It is Africa's leading oil producer, and yet it is one of the world's 20 poorest countries. What's more, the people living in the Niger Delta, the country's oil-producing region, are among Nigeria's most impoverished communities, with a large percentage of the population having to survive on less than one dollar a day. For these people, 'black gold' has not brought prosperity or development. Instead, it has increased corruption, social problems, environmental damage and armed conflict. The many billions of US dollars in oil revenue that have poured into the country during its oil industry's 50-year history have completely bypassed these communities.

Oil and other natural resources are a lucrative business, accounting for more than one third of world trade. The United Nations estimates that global consumption of these resources could almost triple to 140 billion tonnes a year by 2050. This sharp increase is being driven by world population growth, high levels of consumption in industrialised countries, and the ongoing transformation of emerg-

ing economies and more advanced developing countries into modern industrial nations. With a combined GDP of almost USD 9 trillion, the flourishing BRICS economies alone – Brazil, Russia, India, China and South Africa – comprise 40% of the world's population and have accounted for 45% of global economic growth since the onset of the latest financial crisis, according to these countries' own figures and a recent study by Louisiana State University. Experts like investment guru Jim Rogers, who has been active in the resource segment for decades, are predicting that more resources will be extracted in the next 25 years than in the whole of human history.

Some produce, others consume

Metals and minerals, oil, coal and gas generally do not originate in the regions where they are processed or consumed. Germany, for example, is one of the world's largest consumers of raw materials. It imports its energy resources, metals and numerous industrial minerals from more than 160 countries. This sounds like a good basis for lively international trade and economic prosperity throughout the »



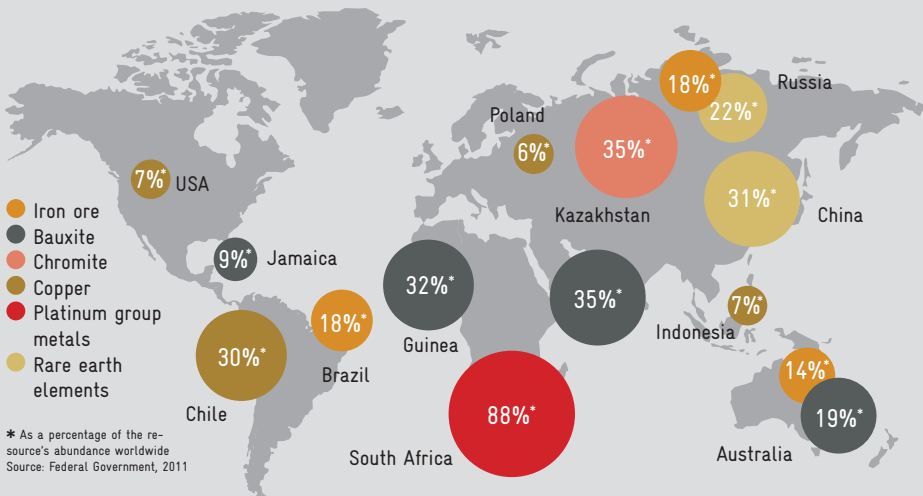
Many states are seeking new ways of securing their resource supply. China, for example, ties development aid to Africa to mining rights.

MINERALS: A FINITE RESOURCE

Global consumption of mineral resources has soared in recent years – and experts are predicting a continued and steeper upward trajectory as emerging economies such as China become industrialised countries. The result is increased resource scarcity.

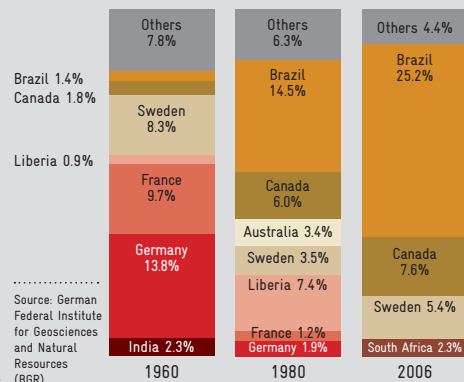
BOTTLENECKS AHEAD

Germany has to import most of the mineral resources it needs for the manufacture of many high-tech and consumer products. In its Raw Materials Strategy, the German Government identifies resources that are threatened with supply bottlenecks. The map shows the minerals that are in shortest supply and their countries of origin.



GLOBAL TRAVELLERS

Metal resources are travelling ever longer distances from mine to processing facility. Germany's iron ore is a good example: in 1960, 13.8% of the iron ore processed in Germany came from domestic sources. By 2006, this had fallen to zero.





There are almost as many mobile phones on earth as there are people – and each phone contains numerous, sometimes rare raw materials.

RESOURCES FOR THE FUTURE

Five billion mobile phones have been sold worldwide over the last 10 years – and every single one of them contains around 20 different metals. But mobile phones are not the only products driving the demand for metal resources. They are used in a wide range of technologies – and are not entirely problem-free.

FIBRE OPTIC CABELS can transmit huge quantities of data at lightning speed. They contain germanium. Experts predict that demand for this metal will increase to 480 tonnes per annum by 2030 – a 240% increase on the amount being produced today.



SOLAR CELLS and light-emitting diodes rely on numerous rare resources – such as tellurium and gallium arsenide – to function properly. The supply of gallium arsenide is particularly critical, as there are very few places in the world where this metal is extracted.



TOUCHSCREENS are a strong market rival for computer keyboards and are also used in mobile telephones and domestic appliances. Indium is a key component of this technology – and is a scarce resource, with the prospect of deposits being exhausted as early as 2020.



WIND TURBINES are more efficient if they use direct-drive technology. But this has one disadvantage: direct-drive wind turbines use neodymium, which is extracted in mining operations that often pose a major risk to the environment and human health.



ELECTRIC CARS are powered by fuel cells and batteries. Platinum wire is an essential component of fuel cells. Lithium-ion batteries contain cobalt, which is mainly mined in African conflict regions.



MEDICAL TECHNOLOGY is a booming industry – partly because of the ageing population. Orthopaedic implants contain tantalum, among other things. Demand for this resource will more than double by 2030.



SOURCES: FRAUNHOFER ISI; PANORAMA, DAS ERSTE, WELT ONLINE

'Gold is good to those who treat it wisely, but to those who use it badly, no good will come.'

Johannes Agricola (1494–1566), German theologian

world – but in reality, it can be problematic for importing and exporting countries alike.

This is due to one simple fact: the deposits of these natural resources are scattered unevenly around the globe, and many of them lie in politically unstable countries. Three quarters of the world's oil reserves are located in the 'strategic ellipse', which extends from the Middle East to the Caspian Sea region and onwards into northern Russia, and around 13% are extracted in Africa. Uranium is imported not only from Canada and Australia but also from Kazakhstan, Niger and Russia. The world's leading source of bauxite ore for aluminium production is Guinea. Three countries – South Africa, Russia and Zimbabwe – account for more than 90% of world platinum production. Tantalum ore is found in Australia, Brazil and Canada, but also in Ethiopia, Mozambique, Rwanda and the Democratic Republic of the Congo.

Growing importance of access to resources

Against the backdrop of the world's growing resource hunger, the processing industry is facing supply bottlenecks that put its competitiveness at risk. The German Government and the EU have listened attentively to the demands voiced by numerous companies and industry associations for resource security to be adopted as a political goal. However, this has not produced the commitment from governments that many companies wanted. In contrast to the situation in China, where the government acts as a kind of 'central purchaser' of natural resources for its domestic industry and quite openly makes its development assistance to Latin America and Africa conditional on a guaranteed supply of metals from the countries concerned, German companies have to source their inputs themselves – and this situation is unlikely to change. In its Raw Materials Strategy, published in 2010, the German Government makes it clear that 'it is basically a matter for the companies themselves to ensure their own supply of raw materials.' According to the Strategy, the German Government aims

to establish raw materials partnerships with various producer countries, whereby its approach 'closely integrates foreign, economic and development objectives.' In other words, as much importance is attached to economic and social development in the producer countries as to safeguarding the supply of raw materials for German companies. Meanwhile, the EU has adopted 'active resource diplomacy' as an objective, with strategic partnerships and policy dialogue meant to secure access to resources. In 2010, the African Union Commission (AUC) and the European Commission agreed to engage in bilateral cooperation with regard to access to raw materials and development, focusing on three areas: governance, infrastructure and geological knowledge and skills.

Continued focus on sustainable development

According to the German Government's Raw Materials Strategy, specific measures will continue to 'follow the principle of sustainable development'. Ten of the world's least developed countries are in sub-Saharan Africa. They are expected to fall short of most of the Millennium Development Goals (MDGs) adopted by the United Nations, even though they are rich in resources.

Great poverty despite natural resource wealth is known as the 'paradox of plenty' or the 'resource curse'. In many countries, such abundance often goes hand in hand with poverty, poor governance and armed conflict and seems to hinder rather than help sustainable development. But even industrial nations with well-functioning systems of governance are not immune. In the 1960s, the Netherlands generated substantial revenues from its natural gas exports. This made its currency stronger compared to that of other nations, making its other export-oriented sectors much less competitive. Wages and prices also increased along with inflation. These symptoms of 'Dutch disease' are currently afflicting a number of countries that are heavily dependent on natural resource exports, notably Venezuela and Azerbaijan. »

THE RAREST
ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)
Source: Israel Science and Technology,
www.science.co.il

» INTERVIEW

CATALYST FOR CHANGE

Andris Piebalgs, EU Commissioner for Development, spoke to akzente about priorities and new approaches in the development policy of the European Union.

Commissioner Piebalgs, how does the EU intend to achieve the Millennium Development Goal of halving extreme poverty by 2015?

The Millennium Development Goals (MDGs) will remain the EU's development priority for the years to come. World leaders are committed to halving poverty, and we have to live up to our promises. There has been progress, but we're not there yet. I am proud that EU support helped to educate more than nine million children, to provide health care to 10 million women and to give access to water and sanitation to millions of households. The EU is the biggest aid donor in the world, so it is important to show leadership and act quickly. With this in mind, the European Commission offered an extra EUR 1 billion for the most off-track and most committed countries to support their achievement of the MDGs. These extra resources will be allocated to water and sanitation, maternal health, hunger and child mortality – those MDGs that are most off-track. We are now finalising the identification of the projects presented by African, Caribbean and Pacific countries themselves. Beyond this, I have also recently launched proposals for the future of EU development policy under the title 'Agenda for Change'. It will allow EU actions to focus on what has high impact in fighting poverty.

The Millennium Development Goals include a Global Partnership for Development. To what extent do you think industrial countries and developing countries share the responsibility to create humane living conditions for everyone?

I have visited many places and it is clear that our aid has the biggest impact only in the countries that have a clear national strategy and where our aid can go through the country system. When I met with leaders of Timor-Leste, their determination to build a more prosperous society was admirable. Developing countries would have to take the ownership of their national strategies for devel-



For Andris Piebalgs EU aid is an investment in a more stable and prosperous future for all people worldwide.

opment as they know best what is needed most. We in turn need to keep our commitments and increase aid funding. We also have to make sure that the concerns of developing countries are taken on board in our other policies such as trade, climate change or agriculture.

What is behind the 'Agenda for Change' you refer to above and what will it mean for EU development policy?

Well, the world has changed considerably. Emerging countries have become economic powers, and are becoming donors. We are facing new global challenges such as cli-

mate change and food and oil price volatility. Africa is now growing and must be supported to consolidate the trend. In addition to this, we have all been hit by an economic crisis. The 'Agenda for Change' aims to adapt EU development policy to the new context. Its aim is to make EU development policy more efficient and results-oriented. I want our aid to put countries on the right track to achieving inclusive and sustainable growth that benefits everyone. I also want EU aid to promote respect for the rule of law and human rights. Aid must be a catalyst for change, but it is no panacea. With this in mind, I propose to Member States and to our partner countries to focus our funding on good governance, agriculture, access to clean energy, and human development. The Commission will also propose to target the aid at the countries most in need. EU aid effectiveness can also be improved through better coordination between Member States and through joint programming of national and EU aid.

Development policy is characterised by both altruistic motives and the specific interests of the parties involved. How do you plan to ensure that all participants can negotiate their interests in a transparent manner and on an equal footing? Has the influence of partner countries on the decision-making process increased or decreased in recent years?

The primary goal of the EU development policy is to fight poverty. Developing countries are playing an increasingly important role in the decision-making process. The EU is proposing some sectors, but we will be in constant dialogue with the partner countries and we will base our strategies on their respective priorities. In the future, EU programming should be synchronised as much as possible with the partner countries' own strategy cycles.

The EU aims for better integration of developing countries into world trade, which often entails reducing trade barriers, such as export tariffs. This, however, deprives the af-

ected countries of urgently needed tax revenue. Against this background, how do you see the EU's continuous focus on free trade?

The gradual integration of developing countries into the global trading system is a key element on their path to sustainable development. For the least developed countries (LDCs), however, there are many constraints or barriers that prevent them from fully sharing the benefits of integration into the global trading system. It is therefore important to help these countries to build the capacities needed to enable them to enjoy the full benefits of trade. In support of this, the EU, together with EU member states, is the biggest provider of Aid for Trade. This means, for example, that we help partner countries to formulate their own trade policy and strengthen their productive capacities. Our clear aim is to make trade an engine of growth for LDCs.

You stress that Europe's security and economic prosperity strongly depend on successful development cooperation. How do you plan to raise awareness of this link?

It is often said that we live in an interconnected world, and each event in the South of the planet has an impact on the North and vice-versa. This is why I don't see aid as charity. Aid is an investment in our collective future. It can help prevent a number of problems that are rooted in poverty, including pandemics, extremism, illegal migration, and all kinds of trafficking. I see aid as the EU insurance policy towards a more stable and prosperous world.

Interview: Holger Thomsen

THE RAREST ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)
Source: Israel Science and Technology,
www.science.co.il



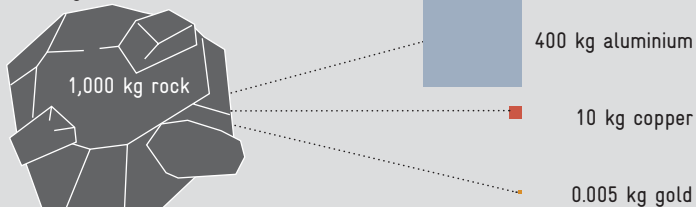
If carried out responsibly, pit and open-cast mining is expensive and complex – so mine operators sometimes cut corners on safety.

ENORMOUS EFFORT, TINY YIELD

Resource extraction has massive impacts on the natural environment. The greatest problem with the mining of metal resources is that these rare and precious substances do not exist in a pure form, but have to be separated from the surrounding bulk metals and rock with a great deal of mechanical effort and input of toxic substances. These toxic substances are often discharged unfiltered into the environment, posing a risk to natural ecosystems and human health.

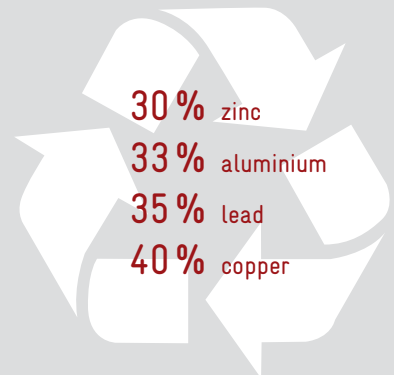
Needle in a haystack

In order to extract even tiny quantities of precious metals, vast quantities of rock have to be excavated. With mineral resources becoming increasingly scarce, some projects which, in the past, were regarded as insufficiently lucrative and too risky – such as extraction of deep-sea deposits – are now becoming more attractive.

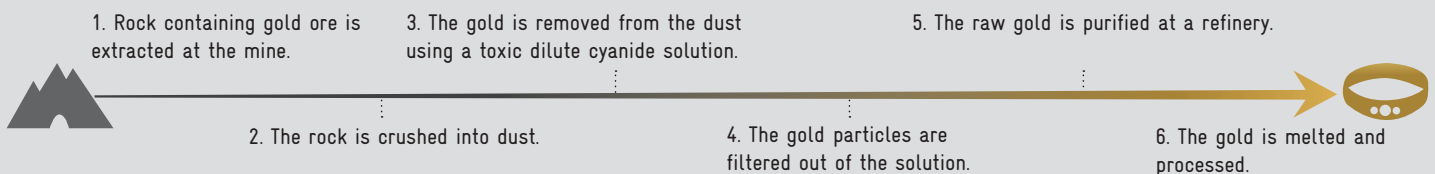


Recycling offers hope

Mineral resources can be reused – with varying levels of effort. Already, a substantial amount of global production is based on recycled inputs (see figure), and the proportion is set to increase.



Gold mining – a complex process



SOURCES: BUREAU OF INTERNATIONAL RECYCLING; ABENTUEUR FORSCHUNG, ZDF; BUND DER ENERGIEVERBRAUCHER

'In terms of raw materials, both policy-makers and business bear a very special responsibility: the natural environment must be preserved and protected for future generations.'

The German Government's Raw Materials Strategy (2010)

However, the 'resource curse' and 'Dutch disease' are not the inevitable consequences of natural resource wealth, even if these resources are located in less developed countries. Botswana has proved the opposite for decades.

In 1966, when Botswana gained its independence, it was one of the world's poorest countries. One year later, diamonds were discovered in Botswana's Kalahari Desert, and since 1969, Debswana, a joint venture between the Government of Botswana and De Beers, the South African diamond company, has carried out diamond-mining operations in the country. This is a multi-billion dollar business, extracting around 25 million carats a year – a quarter of global production. In 2006, the Government of Botswana and De Beers established the Diamond Trading Company Botswana (DTCB) as a 50:50 joint venture responsible for sorting, valuing, sales and marketing. More than 50% of the profits go to the state – and the government of Botswana not only has the political will to redistribute these profits equitably; it also has well-functioning institutions, democratic structures and – according to Transparency International – the lowest level of corruption in sub-Saharan Africa.

Politics and business promote transparency

But without this type of framework, there is a real risk that diamonds in particular will not foster economic and social development but will instead be used to finance arms acquisitions and civil war. Sierra Leone, Angola and the Democratic Republic of the Congo are prime examples of how countries are blighted by the trade in 'conflict diamonds'. Diamonds are precious stones that are in great demand all over the world and, being so small, are easy to traffic and difficult to trace. So in 2003, the international diamond industry and non-governmental organisations launched the Kimberley Process, which enables governments to certify shipments of rough diamonds as 'conflict-free'. This innovative approach has yielded some success in breaking the link between diamonds and conflict. But for

Ian Smillie, the architect of the Kimberley Process, it does not go far enough: he points to a lack of willingness on the part of some governments to take effective action against the illicit diamond trade and human rights abuses.

Further backing for transparency in natural resource supply chains has come from the political arena. In July 2010, for example, US President Barack Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the 'Dodd-Frank Act' for short. Section 1504 of the Act requires US stock market-listed companies operating in the mining and oil industries to report any payments made to foreign governments. The European Commission is already working on a similar rule for Europe. It might also take up Section 1502 of the Dodd-Frank Act. This calls for the adoption of legislation governing disclosure for 'conflict minerals' – gold, cassiterite, wolframite and coltan – originating in the Democratic Republic of the Congo and adjoining countries. The Act thus aims to improve transparency in the trading of minerals which have been used to fund conflicts in the region, resulting time and again in human rights violations on a massive scale. US stock market-listed companies will henceforth be required to disclose their supply and product chains if they obtain any of these resources from the region. A sensible approach – but one which may prove to be premature. For some years now, projects have been under way, for example, to certify mineral resource supply chains or support the chemical and mineralogical identification of tantalum ore concentrates from recognised or registered companies within these supply chains, but the new structures are not yet in place throughout the region. Faced with the provisions of the Dodd-Frank Act, companies may well look for other sources of supply on the world market – and the countries concerned could well lose their key markets for a long time to come.

But it is not only legislators who are now demanding that raw materials should come from unobjectionable sources: many companies are doing the same via their Corporate Social Responsibility (CSR) programmes. 'There is now a much greater awareness of these issues among »

THE RAREST ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)
Source: Israel Science and Technology,
www.science.co.il

customers and consumers,' says Michael Rösch from GIZ, whose field of expertise includes transparency initiatives. 'The industry's need for transparency goes beyond CSR, however: transparency in contractual relationships and in the legal and tax systems in resource-producing countries must be viewed as a vital safeguard against corruption, as well as being essential for legal certainty and successful economic cooperation.' This is the starting point for the Extractive Industries Transparency Initiative (EITI), launched at the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002, with Germany in particular being a strong advocate for the Initiative. The EITI focuses on disclosure of payments made by extractive industry companies and disclosure of government revenue in the resource-producing countries. At present, 11 countries have achieved compliance with the EITI Principles and Criteria. A further 23 candidate countries are working towards compliance, and four other countries are preparing to embark on the EITI process. The EITI is supported by a large number of governments, international organisations including the UN and the OECD, numerous oil, gas and mining companies, and major investment institutions.

'A mix of coordinated instruments is needed if resource wealth is to benefit sustainable development,' says Kristian Lempa, GIZ's resource governance expert. For example, certification schemes, says Lempa, should also aim to build the capacities of the local administration that will ultimately be responsible for monitoring and enforcing the relevant standards. However, various other steps are required to achieve good resource governance, as a World Bank value chain analysis of the resource sector shows. These steps include the transparent publishing of payments and revenues, improved contracts and contract negotiations between companies and governments, the involvement of local communities and civil society organisations in decisions affecting them, transparency in the use of government revenues, and the adoption of environmental and social standards. The resource governance strategies that GIZ is now pursuing through various bilateral and regional programmes in Africa and Asia on behalf of the German Government are correspondingly comprehensive and diverse. Their main goal is to achieve more transparency and accountability, better oversight, and a greater awareness of the responsibilities associated with resource extraction and the use of revenues.

EXAMPLES OF GIZ'S WORK > NATURAL RESOURCES

> AFGHANISTAN

Wealth beneath our feet



Project: Sustainable Development of Natural Resources

Commissioned by: World Bank
Partners: Afghanistan's Ministry of Mines, Afghanistan Geological Survey

Overall term: 2008 to 2011

Afghanistan has a wealth of mineral resources, and the mining industry is viewed as an important asset for the country's sustainable economic development.

The task of the Afghanistan Geological Survey (AGS) is therefore to survey and evaluate commodity deposits. At present, however, the AGS faces a shortage of qualified staff and lacks the necessary office and laboratory equipment. GIZ is therefore providing capacity building to enable the AGS to carry out geological surveying and mapping of mineral resources. It is also helping to set up a documentation centre about geological and mineral resources.

In 2008 and 2009, training courses were organised, focusing on modern geological fieldwork methods. In addition, training programmes took place on mapping, surveying and evaluation of mineral resources, basic geosciences, and environmental and social standards, which were attended by 200 AGS geologists in total. Specialist databases have been accessible online since early 2009 for experts and the public alike.

Within the framework of the Open Policy Advisory Fund (OPAF), a general mining strategy is currently being devised. On this basis, support will be provided for the development and implementation of specific strategies for key raw materials from the third quarter of 2011 onwards. In addition, OPAF is providing advice to the secretariat of the Extractive Industries Transparency Initiative (EITI) in Afghanistan on achieving full EITI compliance. Activities focusing on vocational training in the resource sector are also underway, including the development of a training scheme for vocational teachers at the Mazar-e Sharif Oil and Gas Institute within the TVET (Technical and Vocational Education and Training) Programme. Teaching will start in April 2012.

In Africa, the projects are generally aligned with local blueprints for reform, such as the Africa Mining Vision, launched in 2009. They also tie in with German and international engagement, within the EITI, G8 and World Bank frameworks, for improved transparency in the resource sector. In two of West Africa's post-conflict countries, Liberia and Sierra Leone, BMZ and GIZ have for the first time adopted a strategic and systemic approach to regional resource governance since 2009. This has helped to mitigate conflict potential in mining areas, modernise concession management as a means of combating corruption, improve efficiency in administrative procedures, and substantially increase government revenue from resource extraction. For the 11 African countries comprising the International Conference on the Great Lakes Region (ICGLR), regional initiatives to promote peace, stability and development are the priority, with a particular focus at present on the initiative to curb the trafficking of conflict resources.

In the Democratic Republic of the Congo, mineral resources are being exploited illegally in the east of the country to finance weapons and rebel groups. Here, the focus is on supporting good governance in the exploitation of mineral

resources. Besides supporting implementation of the Extractive Industries Transparency Initiative (EITI), GIZ, on behalf of BMZ, is working with the German Federal Institute for Geosciences and Natural Resources (BGR) to introduce a certification system for combating illegal resource exploitation. Improving transparency via the EITI is a particular focus of attention for the members of the Economic and Monetary Community of Central Africa (CEMAC): Cameroon, the Central African Republic, Chad, Equatorial Guinea, Gabon and the Republic of the Congo. These countries are determined to reduce the discrepancy between the wealth of natural resources in the region and the poverty of the general population and to mobilise indigenous resources more effectively in the fight against poverty. Their efforts are receiving support from the 'Strengthening Governance in Central Africa's Extractive Sector' programme, commissioned by BMZ. Besides focusing on EITI, this cooperation also aims to turn the regional organisation into a capable partner for its member states in the field of extractive resource governance, harmonise mining and investment legislation, and promote more efficient use of public revenue from the extractive sector. »

THE RAREST ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)
Source: Israel Science and Technology, www.science.co.il

›CÔTE D'IVOIRE, GUINEA, LIBERIA AND SIERRA LEONE

Mitigating conflicts, maximising resource use



Project: Regional Resource Governance in West Africa
Commissioned by: BMZ
Overall term: 2009 to 2012

The member states of the Mano River Union (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) possess extensive raw material resources that have a profound influence on political and social conditions. Commercial exploitation of certain natural resources has bankrolled the recent civil wars in Liberia and Sierra Leone and has a structurally destabilising effect, both locally and across the region. However, by exploiting bauxite, diamonds, iron ore, crude oil, gold and rutile deposits, along with tropical timber, these West African countries have scope to mobilise their own resources as development capital. Key factors here include the political will and the capacities of the part-

ner governments, the interest from the private sector, and the level of organisation of civil society. The 'Regional Resource Governance in West Africa' project is the first strategic approach by BMZ for the resource sector as a whole and focuses on those entry points where, in fragile states, political and economic incentives can be harmonised with development objectives. The dynamically developing resource industry is integrated into practical project work in pursuit of development policy goals.

Through the targeted promotion of local, national and regional structures, the aim is to optimise public sector earnings on a sustainable basis and capitalise more effectively on the benefits from the extractive sector to reduce poverty and foster sustainable development. To that end, GIZ works in the following priority areas: 1) transparency and accountability in the context of the Extractive Industries Transparency Initiative (EITI), 2) national sector strategies, mining legislation, concession management and modernisation of administration, 3) local development in the mining areas, and 4) dialogue at regional level in West Africa.

'We must produce, consume and recycle in a way which ensures that future generations also have an adequate supply of raw materials.'

Professor Hans-Joachim Kümpel, President of the German Federal Institute for Geosciences and Natural Resources (BGR)

Ghana is a good example of the kind of success that can be achieved by implementing the EITI standards. The country generates 40% of its export earnings and more than 10% of its tax revenues from the extractive industries, mainly gold mining. Ghana became an EITI pilot country in 2003 and has been receiving advice from GIZ, on behalf of BMZ, on implementing these standards since 2006. Having increased its transparency in this way, Ghana is now better able to achieve a balance between investment incentives and tax compliance. It is also establishing the necessary parameters so that revenues from the extractive industries are used to benefit the public. The 'Good Financial Governance (GFG)' programme in Ghana also supports the reform of tax policy/administration and the modernisation of public finances. Under BMZ's development PPP programme – a framework in which business and development agencies jointly plan, finance and implement projects – a development partnership has been initiated with the German software company SAP AG. The outcome is a modern and secure IT solution for the EITI in Ghana, which Ghana's Ministry of Finance and Economic Planning will use to monitor, analyse and consolidate payments and revenue flows from its extractive industries, and which can also be utilised by mining companies.

Advice also needed in Asia

On behalf of BMZ, the Federal Ministry of Economics and Technology (BMWi), the Federal Foreign Office (AA) and the World Bank, GIZ is implementing various projects in Asia that focus on sustainable development in the resource sector. Mongolia, for example, faces major challenges relating to the social and environmental sustainability of its resource exploitation. It therefore requires a strategy to utilise the revenue from its massive deposits of gold, copper, coal, molybdenum, fluorite, zinc, uranium, lead and oil in order to promote sustainable, broad-based growth in line with its development needs. This is the starting point for the Integrated Mineral Resource Initiative

(IMRI), which is being implemented by GIZ in cooperation with the German Federal Institute for Geosciences and Natural Resources (BGR) and the Physikalisch-Technische Bundesanstalt (National Metrology Institute – PTB). The Initiative focuses on building capacity and expertise in the Mongolian authorities and ministries and on developing a national pool of competent advisors. It also delivers training for private sector organisations and Mongolian and foreign companies. In parallel, domestic value chains based on the resource sector are being established. In Afghanistan, GIZ's activities in the resource sector include capacity building for the Afghanistan Geological Survey.

Breaking the resource curse

Resource-rich countries should not slide into corruption, a rent-seeking economy and armed conflict, but should pursue a development pathway. This is a guiding principle of the development agenda. At the same time, the countries concerned should become efficient suppliers for the international commodity markets. This is the latest demand from industry, which has now been taken up in various policy strategies. Promoting good governance in the resource-producing countries might help to attain these twin goals. This is the approach now being pursued by Ghana, for example, as it embarks on the development of an industry which, in the Niger Delta only a few hundred kilometres further east, has caused so much poverty and suffering. Ghana's goals are to distribute the revenues from its fledgling oil industry in an equitable manner, protect the environment and ensure that the public can share in the benefits of a booming economy – thus breaking the resource curse. ■

THE RAREST ELEMENTS



* Abundance of elements in Earth's crust in parts per million (ppm, 10,000 ppm = 1%)
Source: Israel Science and Technology, www.science.co.il

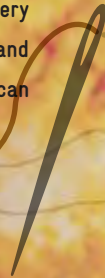
PHOTOS: HTTP://JUNKDE/MEIN-PSE (10); FOTOLIA/KRUMM (10); TOREINW/LAIF (11); JEAN CLAUDE MOSCHETTI/REA/LAIF (13); BALLY/KEYSTONE SCHWEIZ/LAIF (14); EUROPEAN UNION 2010 (16); SHENG HUA/IMAGINECHINA/LAIF (18); ISTOCKPHOTO (20, 21)

FACTS AND FIGURES

1/5

of all the gold used in decorative jewellery worldwide is processed into gold thread and woven into Indian saris. One gram of gold can produce up to 3 km of thread.

SOURCE: ABENTEUER FORSCHUNG, ZDF



10,100 Rh

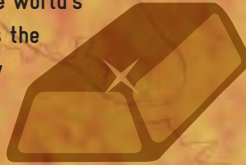
US dollars: That was the price of one ounce of rhodium in summer 2008, making this precious metal – one of the rarest on Earth – also the most expensive. Among other things, it is used in the manufacture of catalytic converters for the automotive industry.

SOURCE: WWW.ROHSTOFF-KURSE.DE

30,684

tonnes: That's the total weight of all the gold reserves held by the world's central banks. The United States is the largest holder, followed by Germany and the International Monetary Fund (IMF).

SOURCE: WORLD GOLD COUNCIL



22,200,000

carats of diamonds are extracted annually from the sands of the Kalahari Desert by Debswana, the joint venture formed by the Government of Botswana and the South African diamond corporation De Beers.

SOURCE: WWW.DEBEERSGROUP.COM



43

kilograms: That was the average daily consumption of natural resources by every European in 2010. In the USA, the figure was 90 kg, in Asia 14 kg, and in Africa just 10 kg per day.

SOURCE: SUSTAINABLE EUROPE RESEARCH INSTITUTE (SERI)



13 villages have already been relocated to make way for the Garzweiler strip mine in North Rhine-Westphalia, Germany. Since World War II, nearly 35,000 people have resettled as a result of lignite mining in the region.

SOURCE: WIKIPEDIA

41,600

tonnes of rare earth elements and 8,700 tonnes of niobium are deposited underground around Storkwitz in the German state of Saxony – the only known deposits of these substances in Europe. A survey is currently under way to determine whether mining is economically viable and environmentally compatible.

SOURCE: GERMAN MINERAL RESOURCES AGENCY





» Outside view

INHUMAN RESOURCES AND

Does natural resource wealth cause poverty?
 No, says Angolan author José Eduardo Agualusa.
 Not if you invest in people.

> PROFILE

José Eduardo Agualusa, born in Huambo, Angola, in 1960, is one of the leading Portuguese-language writers of the present day. His poems, short stories and novels have been published in numerous languages. He spends most of his time in Portugal, Angola and Brazil. His latest work to be translated into German was the novel *Barroco Tropical*, published by the Munich-based A1 Verlag in 2011. For this issue of *akzente*, he shared his thoughts about natural resources.

I am Angolan and I grew up hearing about Angola's immense wealth. The country is one of the biggest oil producers in Africa and the world's fourth largest source of diamonds. During the colonial era Angola was also one of the world's biggest coffee producers.

Travelling around Angola as a child, however, I realised that most other children had no shoes. After independence in 1975, the situation improved a little and nowadays most Angolans wear shoes. In spite of war and poor governance, tens of thousands of Angolans have also managed to study and are now financially better off than their parents. And yet, poverty still reigns.

'Angola's problem is oil' is another adage I got used to hearing. Blaming poverty on wealth – namely, hidden wealth and overt poverty – always seemed a naive argument to me, even a bit patronising. Rich countries are just like rich people. They can choose to use their wealth wisely – both for themselves and those

around them – or they can squander it. It is safe to say that an educated and informed person who suddenly becomes rich – because they discover hidden treasure in their attic, say – will be in a better position to manage their new fortune than an illiterate person. As such, Norway was decades ahead of Angola when it discovered oil and it is therefore not surprising that it has been better able to benefit from this resource.

A country without resources but with democratic and good government is able, despite its resource deficiencies, to find original solutions to its problems. As the old saying goes 'necessity is the mother of invention.' And in some ways, this is what is happening in Cape Verde. Suppose the Cape Verdeans were to discover oil. I reckon they would make good use of this wealth, investing it like Denmark does in long-term plans and in human resources.

An anecdote that is very well known throughout the Portuguese-speaking world

PHOTOS: MARKUS KIRCHGESSNER



HOW TO MAKE THEM HUMAN

tells of the time that God, putting the finishing touches to his new world, surveyed the many beauties of the territories nowadays called Brazil and Angola and became besotted with these corners of his new creation. And so he began

‘You are right,’ He said. ‘But just look whom I’m sending to colonise them.’ If, instead of colonisers (in this case the Portuguese), we simply think about people, about human resources, this anecdote sums up much of what I have

World dictators, as Western democracies have been wont to do in the name of realpolitik, may not actually be such a good idea these days. Even putting aside moral arguments and focusing solely on immediate economic issues, it seems obvious to me that the increasing democratisation of information brought about by new technologies does not favour dictatorship. Western democracies should take this into account. It is safer and, in the medium term, cheaper to support emerging democracies and the democratic forces active in countries subject to dictatorial rule, than to put money into the hands of despots.

Translation: Royston Robinson

Blaming poverty on wealth is naive. Rich countries are just like rich people. They can choose to use their wealth wisely – both for themselves and for those around them.

bestowing these lands with riches: handfuls of diamonds, tons of gold, immense oil fields. One of God’s angels, concerned at the spectacle, intervened: ‘My Lord, look here, this is not right. Angola and Brazil are already handsomely endowed with innumerable gifts: year-round sunshine, unbounded forests, beautiful birds, fabulous beaches. These lands suffer neither earthquake nor tsunami nor hurricane. Adding such an immense wealth of natural resources to these already most fortunate lands... well, it just doesn’t seem fair at all.’ God looked at him, smiled and then burst out laughing.

written above: that whatever the country, the most important thing is its people. Converting mineral resources into human resources is, at the end of the day, the key to fair and sustainable development. Accordingly, Angola’s overt poverty has nothing to do with its hidden wealth. Angola never had democracy, and dictatorships rarely result in stable, wise and just government.

One of the lessons to learn from the recent democratic revolutions in North Africa is that democracies tend to be more stable and trustworthy than dictatorships. Supporting Third

LOOK BEYOND APPEARANCES

WITH THEIR ASSORTMENT OF customised wheelchairs and home-made instruments, Staff Benda Bilili is a band like no other – with a unique sound. In 2009, the band's debut album *Très Très Fort* took the music world by storm. The band members, who come from the Democratic Republic of the Congo, have two things in common: a polio-related disability, and their creativity. 'Benda Bilili' means 'look beyond appearances' – and that's the message they send out in their music, seeing themselves as journalists of the street. Thanks to sponsorship from GIZ, Staff Benda Bilili featured in the line-up at the Rheingau Music Festival in summer this year.

Photographer: Philippe Wojazer/Reuters





In the South Caucasus, the days of arbitrary justice and legal uncertainty are over.

TOWARDS THE RULE OF LAW

After the demise of the Soviet Union, the legal systems in many former Soviet republics were in desperate need of reform. Today, however, the countries of the Caucasus – Armenia, Azerbaijan and Georgia – are back on track. Germany has had a hand in this success.

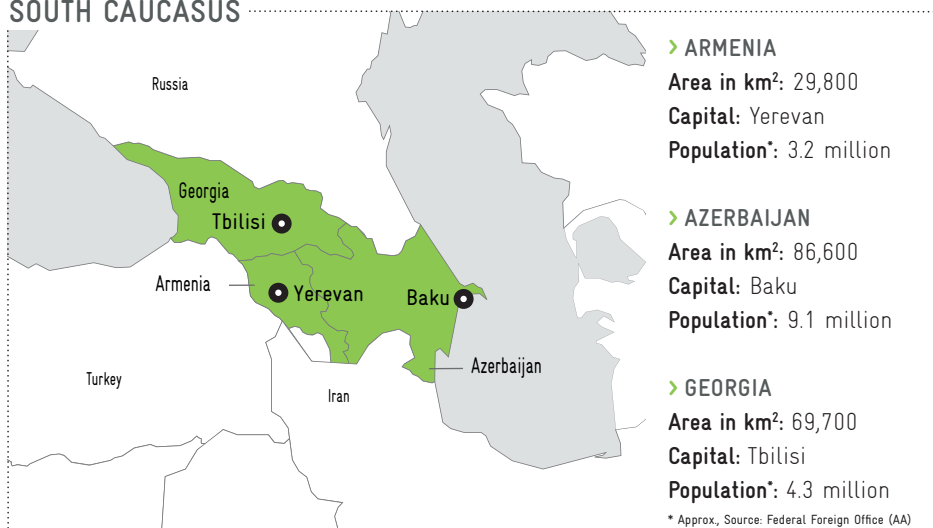
Text Rainer Kaufmann

When Baku hosts the Eurovision Song Contest next May, foreign observers' attention will be focused on Azerbaijan – and on its political and economic development. In light of initially critical reports, especially in the German media, the state of the country's judicial system seems certain to come under scrutiny as well. There have already been isolated calls for a boycott of the extravaganza, due to Azerbaijan's problematic record on human rights – somewhat unfairly, as clear progress has been made on legal and judicial reform in all three South Caucasus countries.

A rocky road to independence

With the demise of the Soviet Union two decades ago, the former Soviet republics set out on the road to independence, and began establishing democratic institutions, market economies and the rule of law. However, it quickly became apparent that the once all-powerful Soviet state had left a crushing legacy: a justice system that was enmeshed in a home-spun web of corruption and incompetence. Routine disputes rarely made it into the public courts. Instead, the parties would approach 'thieves in law' (kanonieri kurdebi) – underworld figures whose law code and standing in the community were based on a lengthy prison career. They meted out their own brand of justice and were powerful enough to enforce it in their own particular way. Anyone turning to the formal judicial system instead was bound to fail in the face of this shadow justice system, which was well-functioning and well-connected, with some of its representa- »

SOUTH CAUCASUS



AT A GLANCE

- Legal and Judicial Reform in the South Caucasus
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Overall term:** 2010 to 2019 (current phase to 2014)

Being in the right and obtaining justice – even in properly functioning judicial systems – are not always the same thing. When the Soviet Union collapsed and the countries of the South Caucasus gained their independence in the early 1990s, a legal vacuum was created, with serious consequences. In Georgia, Armenia and Azerbaijan, the economies were in a very poor state and society was threatening to fall apart. In this situation, it was essential to establish a working social order quickly in order to stabilise the countries' independence. In the justice system, this meant combating corruption, making unambiguous laws, and ensuring legal certainty. Only then will citizens have confidence in the judiciary and democracy, which facilitates social and economic development. The three South Caucasus countries have now implemented fundamental legislative reforms. With Germany's support, all three countries have modernised civil and administrative law and restructured their judicial systems.

PHOTOS: THOMAS GRABKA/LAIF (28); RALF BÄCKER (30, 31); GIZ (32)



In recent years, new learning materials have been developed for legal studies.

tives even making it into senior government posts.

Perhaps inevitably, the official court buildings at that time were in an even more dilapidated state than other public authorities. Even in the late 1990s, the Rotary Club of Tbilisi spent a weekend refurbishing the interior of a court building in the Georgian capital so that at least one courtroom was in a fit state to instil the necessary confidence in Georgia’s ‘new justice’. Even the Minister of Justice wielded a paintbrush in this act of goodwill.

Against this background, the outcomes of the reform efforts in all three Caucasus countries certainly stand up to scrutiny. This was borne out by two international conferences that took place in Tbilisi and Baku in spring and summer this year. In Tbilisi, the Caucasus judges’ conference was facilitated by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the United Nations Development Programme (UNDP). The participants took stock of the judicial reforms in the

South Caucasus region in the light of the Bangalore Principles of Judicial Conduct (see Box, right). In Baku, the international seminar on current administrative justice was also facilitated by GIZ on behalf of BMZ, in conjunction with the Judicial Legal Council of Azerbaijan.

Improved standing of the judicial system

The two conferences sent out the same basic message. They reaffirmed that the separation of powers is enshrined as a constitutional principle in all three Caucasus countries, as is the independence of the judiciary. Judges are now nominated and appointed by supreme judicial councils. The transparency of the legal process is guaranteed. Great importance is attached to advanced professional training for judges. Judges’ salaries are generally commensurate with the judicial office held – an important starting point for combating the corruption that was once rife in the region’s courtrooms. Most court buildings nowadays –

also in rural areas – are well-furnished and equipped to a good technical standard. The reputation of the judicial system, as a constituent pillar of the rule-of-law state, has improved, especially in the field of civil law, not least in response to foreign investors’ need for legal certainty. Georgia, for example, has a system of civil and commercial law that meets European standards, and this is reflected in the way routine court business is handled.

In all three countries, substantial progress has also been achieved in the field of administrative law. Armenia has its own three-tier system of jurisdiction in this field of law. There are no administrative courts in Georgia, but an equivalent system of procedural law has been well-established for many years. In Azerbaijan, complaints relating to public authorities are dealt with by the commercial and administrative courts. A separate administrative jurisdiction is an important measure of the progress being made on judicial reform, for it offers citizens – for the first time – the opportunity to defend themselves against measures



Most courtrooms, even outside the major cities, are equipped to a good technical standard.

imposed by the state. For example, at the Baku conference, the chairman of the administrative court in the city of Sumgayit read out a list of the public authorities that have been the subject of the largest number of complaints in his court. He also detailed his success rate: in two administrative court districts in Azerbaijan, around 80% of complainants won their cases against the apparently all-powerful state and its authorities, putting Azerbaijan at the top of the table, well ahead of the far more modest success rates chalked up its neighbours Georgia and Armenia, with 50 and 60% respectively. However, more detailed investigation is undoubtedly required to determine whether the data are directly comparable.

Statistics – and especially direct comparisons between neighbours – featured prominently in the discussions at both conferences. However, efficiency figures alone reveal little about the quality of judgments and give nothing away about the level of judicial independence that has genuinely been achieved, says Renate Winter, head of the EU-funded project ‘Capacity Building in Support

of Rule of Law in Georgia.’ She sums up the conclusions she has drawn from her numerous conversations with judges and lawyers: ‘The independence of the judiciary can only really exist if judges are genuinely committed to applying the principles enshrined in the constitution.’ However, Winter has observed that judges, particularly in the courts of first instance, tend to adhere very closely to the guidelines issued by the Supreme Court, instead of developing their own rulings. Judicial independence also means independence at the various levels of jurisdiction, says Winter, an Austrian judge of many years’ standing.

Independence starts with the right mindset

Rudolf Mellinshoff, President of Germany’s Federal Fiscal Court, voices similar views. He attended the Tbilisi conference while he was still a judge at the Federal Constitutional Court. The higher courts have a responsibility to ensure that consistency is maintained in the application »

› THE JUDICIAL INTEGRITY GROUP AND THE BANGALORE PRINCIPLES

The Judicial Integrity Group is a loose consortium of senior constitutional judges from OECD and developing countries. Since 2000, the Group has set itself the task of strengthening the integrity of the judicial system worldwide in response to the declining level of public confidence in the judiciary. Since 2005, on behalf of BMZ, GIZ has been engaged in the supranational advisory project ‘Anti-corruption and integrity’, which promotes compliance with judicial integrity standards. GIZ also supports the work of the Judicial Integrity Group.

The Bangalore Principles of Judicial Conduct establish standards of judicial integrity that are recognised worldwide. Together with a Commentary, and the Measures for the Effective Implementation of the Bangalore Principles, these Principles provide guidelines for strengthening judicial reform in partner countries. The documents were developed by the Judicial Integrity Group. The Principles are aligned with international human rights standards and the United Nations Convention against Corruption. The Bangalore Principles have played a role in key rulings adopted by national and international courts.

👉 www.giz.de/anti-corruption
 👉 www.unrol.org

of the law, he says, but this does not mean that the guidelines they produce must be slavishly adhered to by the lower courts. He sums up the situation: 'Requiring the lower instance courts to comply with mandatory guidelines is hardly compatible with judicial independence.'

Since the early 1990s, one of the main goals of German development cooperation with the South Caucasus countries was to support institutional capacity building in relation to the rule of law, initially in Georgia during the early days of independence. Later, the focus widened to include bilateral projects in neighbouring Armenia and Azerbaijan as well. Since 2001, under the German Government's Caucasus Initiative and on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), all the various initiatives in this field have been pooled to a large extent within the regional

programme 'Advice on Legal and Judicial Reform in the South Caucasus'. A transnational anti-corruption component will supplement the advisory services on judicial reform from next year and will involve sharing of best practice from neighbouring countries. There are now six seconded experts and around a dozen local jurists working on the programme. Based on progress to date, it is clear that the dialogue on the rule of law between Germany and the three Caucasus countries is working well, as is the dialogue between the three South Caucasus countries and at national level. The advice on legal reform is well-received, together with various other services provided by the international community, including comprehensive training and professional development programmes. And finally, GIZ and its partners regularly update the general public in the Caucasus countries on the progress of the reforms, which

helps to build public confidence in judicial independence. The patience and persistence are paying off in other ways as well: in 2010, the Armenian President appointed a new Minister of Justice, Hrayr Tovmasyan, who has never held office in any government agency and has no party-political affiliation. He was previously a GIZ staff member who worked on the legal reform programme in Yerevan for many years. Having secured this key government post, he is ideally placed to initiate further steps towards a rule-of-law state. The success or failure of this political mission will also demonstrate the extent to which government institutions are genuinely committed to the rule of law and international standards.

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» INTERVIEW

'THERE ARE STILL SUBSTANTIAL DEFICITS IN CRIMINAL LAW'



Rudolf Mellinghoff served as a judge at Germany's Federal Constitutional Court from 2001 to 2011. He became President of the Federal Fiscal Court in November this year.

The independence of the judiciary is guaranteed by the constitutions of all three Caucasus countries. Does this mean that it is already a reality?

Major progress has been made. Nonetheless, from a German perspective, there are still some anomalies: for example, the president of a court can impose deadlines on a judge and can set a date by which legal proceedings must be concluded, with disciplinary measures for any overrun. Measures of this kind are hardly compatible with judicial independence. So there is still some way to go.

What role can German judges play in the reform process?

Judges in other countries can maintain a dialogue with their colleagues in the Caucasus and follow the reform process. Professional exchange among practitioners is a more productive process than a theoretical academic debate about the problems these countries face.

Can we make German standards the sole benchmark?

We should be cautious about making our own perspective the starting point for the development of our ideas. There are many different ways of achieving judicial independence. The Bangalore Principles of Judicial Conduct establish a universal standard that safeguards the minimum level of judicial integrity and independence that is required – but they also allow for a variety of approaches.

The discrepancy between the progress made in the fields of civil and administrative law, on the one hand, and criminal law, on the other, is quite striking in the countries of the South Caucasus. How do you view the situation in the field of criminal law?

Criminal law is a very sensitive area – one where human and civil rights violations can easily occur. So it is essential to exclude any arbitrary elements from the criminal justice system. Criminal acts must be comprehensively investigated and the facts established, and any charges brought by the public prosecutor must be based on sound evidence. The sentence must be commensurate with the severity of the crime and the degree of guilt, and in sentencing, the same criteria must apply to all offenders. Compared with the situation in civil law, there are still very substantial deficits here.

Interview: Rainer Kaufmann



Two employees from the Mateete Microfinance Cooperative Trust Limited visit farmer Kafeero on his plantation.

MAKING A LITTLE GO A LONG WAY

Local savings and credit cooperatives can help pave the way to a successful future for Africa's farmers – so long as the right regulatory framework is in place.

Text and Photos Thomas Vesper

As the owner of a 44-hectare plantation of plantain and coffee trees, Thadeus Kig-gundu Kafeero is one of the wealthier farmers in the area around the rural municipality of Mateete in central Uganda. A reticent and self-effacing man, Kafeero believes actions speak louder than words.

He is currently worried about an irrigation system for his plantains. Providing water for his young saplings requires pumping equipment – 'preferably from Germany.' But such things cost a lot of money. Money he does not have at

the moment. So Kafeero wants to arrange a loan – an option offered by the Mateete Micro-finance Cooperative Trust Limited.

The rural savings and credit cooperative has today arranged a meeting at his farm in central Uganda. Set up in 2003, the cooperative counts Kafeero among its members. The farmer is now a familiar figure here, having been a beneficiary of modest loans on numerous occasions in the past. These were used to buy equipment, seeds, fertiliser and chemicals, as well as to pay the fees for his children's education.

'He has always repaid his instalments on time,' reports Elias Kainamura, who as the cooperative's chief accountant is the man responsible for lending. So there is every prospect that the cooperative, which has a share capital equivalent to EUR 92,000 in contributions from its current membership of 4,500, will be able to help him with his largest credit demand to date.

Winston Churchill called Uganda 'the pearl of East Africa' on account of its rural charm and fertile soil. Today over 80% of the country's population still live off the land. »



Those who benefit most from microloans provided by the Mateete Microfinance Cooperative Trust Limited are small entrepreneurs like this tailor.

If the customer is unable to come to the cooperative, the cooperative can come to him – an employee on the way to an appointment.

But around 70% of these mainly family-run farms produce only as much as they need for themselves. Thadeus Kiggundu Kafero has always aimed higher. In recent years he has continually expanded his farming business – mainly thanks to loans from the credit cooperative in Mateete. He currently employs a dozen farmhands.

Good client relations pay dividends

He has never applied for a loan from a conventional bank. ‘I couldn’t understand how to fill the forms in properly and in any case all the banks are in the city, in Masaka, and that is much too far away from my farm,’ he explains. For most members of the cooperative, the village of Mateete has the advantage that it is relatively easy to get to if necessary. But there are also members who live in more remote areas with poor transport connections. In such cases the cooperative’s employees travel to meet their customers by car or motorcycle. It is a service that is clearly appreciated: in addition to the farmers and traders, the cooperative now attracts membership from entrepreneurs, schools and religious communities.

According to Maria Gorreth Naluwo, who works in credit control, the success of the Mateete cooperative among local people can largely be attributed to the ‘emotional factor’. ‘When

people come in to make loan repayments or pay money into a savings account,’ she explains, ‘they often see it as an opportunity to strike up a spontaneous conversation about other personal matters.’ So it is not all about business. Indeed, the credit cooperative positively encourages building such customer relations as a way of dispelling the widespread suspicion with which savings and credit cooperatives are regarded in general.

GIZ employee Christian Königsperger, who heads a programme developing financial systems on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), estimates the number of rural credit cooperatives in Uganda to be in the order of 2,000. In his experience, however, only a small percentage of these meet minimum financial and banking standards: ‘Only around a dozen are run really professionally and have the potential to provide their members with sustainable financial services.’ In most cases these are the relatively large cooperatives with as many as 15,000 members. According to Königsperger, any problems that arise are usually with the many small cooperatives established with a political agenda. These are endowed with money by politicians eager to secure the approval of potential voters. Anyone receiving a loan therefore feels morally obliged to give his vote to the person or party that provided the money. Good be-

haviour is rewarded ‘by not paying too much attention to repayments,’ explains Königsperger.

No binding legal framework

Fraud is an additional problem in institutions that are under-resourced in terms of staff and technology; in some cases managers simply make off with the contributions of cooperative members overnight. Both political manipulation and fraud are therefore obstacles to a stable savings and credit culture. ‘In addition to technical support, the cooperatives also need an appropriate and binding legal framework that is consistently implemented,’ says Königsperger. The Financial System Development programme is currently working with the Bank of Uganda and other national partners to establish a new framework. Such direct collaboration with the country’s central bank has the invaluable benefit that all experience derived from grass-roots cooperatives can be fed directly into the political dialogue with state decision-makers.

As the legal requirements become stricter, the bar will be raised for rural credit cooperatives. The key here is to ensure improvements are made in all areas of business operations. Only relatively few cooperatives will be able to reinvent themselves completely. But the successful among them will have the potential to make a significant long-term contribution to improving the lives of the

disadvantaged rural population. This is the route already embarked upon by the cooperative in Mateete. The head office is now equipped with computers. And since power cuts are an almost daily occurrence in Uganda, the roof has been fitted with solar panels.

A look at the success of reform efforts in Uganda's financial sector since 1999 is enough to reveal the considerable progress that has been made. Since 2007, Uganda has also had a nationwide Credit Reference Bureau. Developed on the model of Germany's SCHUFA by the South African company Compuscan, this is one of the first bureaus of its kind in East Africa. Today all branches of the financial institutes controlled by the central bank are affiliated to the Credit Reference Bureau. Over 400,000 customer data records have been registered to date – and that number is rising. Like SCHUFA, the purpose of this organisation is to protect financial institutions against loan defaults.

In its most recent Doing Business survey, the World Bank investigated how access to credit has changed in a group of 183 countries. In 2010 Uganda was ranked 109th, whereas in 2011 the country had climbed to 46th place. This means it has become much easier to get credit in Uganda. In many cases, these loans are used for business start-ups or expansions, which in turn make a valuable contribution to the country's economic development – as with Thadeus Kiggundu Kafee-ro's plantation in Mateete. ■

UGANDA



> COUNTRY STATISTICS

Area in km²: 236,860
Capital: Kampala
Population: approx. 32.7 million
Population growth: 3.5% per annum
GDP 2009: approx. USD 17 billion
Per capita income 2009: approx. USD 504

Source: Federal Foreign Office (AA)

AT A GLANCE

- Financial System Development
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Lead executing agency:** Bank of Uganda
- **Overall term:** 1998 to 2014

In 2010, around 70% of Ugandans had no access to basic financial services such as savings, credit and monetary transactions. The government's approach to combating this major obstacle to economic development and poverty reduction in the country is to set up informal microfinance institutions, such as savings and credit cooperatives, which provide services in particular for women and smallholders in rural areas.

Working in close collaboration with KfW Entwicklungsbank, GIZ advises the Bank of Uganda on creating a suitable regulatory framework for microfinance institutions and broad public access to financial services. A chain of savings and credit cooperatives are also being provided with advisory services on developing financial products for the agricultural sector and employee training and with support in the switchover to electronic systems. There is also support at the national level for the dialogue between political decision-makers and the private sector.

A new law authorises certified microfinance institutions to accept private savings deposits. By the end of 2010, this law had benefited over 800,000 people, predominantly from the poorer sections of the population. Their money is protected by a deposit guarantee fund. In turn, a Credit Reference Bureau provides support to financial institutions in improving risk management in their lending business. Two universities in Uganda have set up study courses in microfinance. Each year around 100 new graduates take up positions of responsibility. An Agricultural Finance Year Book for Uganda documents lessons learned and successes in the financial sector and is meeting with growing interest both in the world of politics and the private sector. At international level, a close partnership exists with the Making Finance Work for Africa (MFW4A) platform and the Alliance for Financial Inclusion (AFI).

- 👉 www.mfw4a.org
- 👉 www.afi-global.org
- 👉 www.bou.or.ug

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PREPARED FOR THE WORST

A project initially set up to provide emergency and transitional aid following a devastating hurricane in El Salvador and Guatemala has become a model for adapting to climate change.

Text Toni Keppeler



When it rains in San Pedro Masahuat, El Salvador, it pours. It is almost like standing under a waterfall – pleasant enough for five minutes after a day in the sticky tropical heat. But before long there are dangers and Ovidio Rivera starts getting anxious. He places his crackling walkie-talkie on the table in front of him and stares at it as if it were a mini television. Rivera is head of the local emergency committee for Tieras de Israel, a district close to where the Río Jiboa empties into the Pacific Ocean. Further up the valley, men have gone out to the river in the pouring rain to check the water gauges along its course.



In the dry season, when the Jiboa dries to a trickle, these simple posts of reinforced concrete stand well back from the course of the river and several metres above the water level. The lower third is painted green, the middle third is yellow and the top third red. When it rains hard the water rises quickly.

‘Still at the green level,’ comes the message out of Rivera’s radio. And then just ten minutes later: ‘Yellow and rising,’ Rivera goes across to the hut of the local emergency committee. Built on stilts, the wooden building is an operations centre and emergency shelter in one. Rivera switches on the amplifier and picks up the microphone. ‘Warning! Warning!’ Throughout the widely scattered settlements that make up the municipality, the message is relayed via the crackling loudspeakers fixed to the top of tall iron scaffolds. ‘The Jiboa is approaching red alert! Evacuation will commence in ten minutes!’ Further away, where there are no loudspeakers, the men and women run from hut to hut knocking on doors.

Regular flooding

In virtually every rainy season, the settlements along the Río Jiboa that make up San Pedro Masahuat end up under water at least once. In most cases the flooding is the result of a Caribbean hurricane shedding its mass of water over El Salvador. Previously there were always fatalities. Not just people drowning, but many also struck by falling rocks or buried in mud and landslides. Since Hurricane Stan in 2005, however, no one in San Pedro Masahuat has died as result of a natural disaster. ‘As far as I’m concerned, that is a great success in itself,’ says Rivera.

Rivera attributes this success mainly to the project for Reconstruction and Disaster Prevention in Central America. In response to the devastating consequences of a whole series of natural disasters, GIZ began its work in San Pedro Masahuat in 2005 on behalf of the German Federal Ministry for Economic Cooperation and Development

(BMZ). ‘The objective was to combine emergency aid with sustainable development,’ explains Alois Kohler, the officer responsible for the project. ‘The idea was not just to provide victims with food and emergency shelter in the short term. We also wanted to restore the villagers’ economic basis as quickly as possible – and in such a way that it would not simply be washed away again by the next storm.’

One thing is certain: there will always be a next time. In El Salvador, extreme natural events turn into disasters with greater frequency than just about anywhere else. This small country is regularly hit by earthquakes, tsunamis, volcanic eruptions and hurricanes. According to a study published by the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), 88.7% of the total area of El Salvador is considered at-risk. And this is where 95.4% of the population live. ‘So simply evacuating people to safer ground is not an option,’ says Kohler, ‘because there isn’t any.’

In addition to their work in San Pedro Masahuat, GIZ advisors also implemented measures in over a dozen municipalities devastated by Hurricane Stan in El Salvador and neighbouring Guatemala in 2005. Both these countries must steel themselves for further disasters, however, for Central America will increasingly feel the impact of climate change in the years ahead. A study produced by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) anticipates that average temperatures will rise by at best 1.8 degrees Celsius, at worst 6.5 degrees Celsius, before the turn of the next millennium. According to the same prognosis, precipitation will decrease in certain regions by up to 30%. But rainfall will be more concentrated, falling as torrential downpours of the kind that may quickly cause the Río Jiboa to burst its banks.

It is not a moment too soon, then, to establish ‘a crisis prevention and management regime that allows us to adapt to the challenging circumstances,’ says Kohler. The traditional farming of maize and beans was no longer viable. ‘What’s the point of toiling away when the Jiboa is going to destroy the entire crop anyway?’ asks Rivera. Maize and beans are usually planted at the »

◀ Retaining walls made of old car tyres secure hillsides prone to landslip.



① This model cottage was built on stilts – a simple way of protecting houses from floodwaters. ② Loudspeaker masts can be seen all over the municipality. ③ The loudspeaker system enables rapid transmission of warnings. ④ Water gauge on the Río Jiboa: the 'red alert' is sounded when the river reaches the upper mark.

start of the rainy season and ready for harvesting during the dangerous hurricane season. Kohler and his advisors recommended a change to the cycle: in addition to maize and beans, they also proposed growing vegetables that are quick to mature and planted at the end of the rainy season. 'The alluvial soil retains its moisture for a long time.' The families that tried growing tomatoes, cucumbers and radishes in these kitchen gardens soon realised they could earn more money that way than in one of the neighbouring garment factories.

High yields with old maize varieties

Maize is now also being farmed in San Pedro Masahuat again. The difference here has been made by the expertise and seeds acquired from project communities in the Guatemalan province of Huehuetenango. 'This region is a kind of gene centre for maize, beans and pumpkins,' says Kohler. Over 30 ancient varieties of maize and beans have survived here. Many of these are much more resistant to flooding and drought than the hybrid seeds that are widespread in Central America. Local farmers exchanged experience – and seeds – at seed fairs with farmers from neighbouring countries. With practical instruction they have relearned what their ancestors already knew: techniques for producing and storing a large variety of one's own seed. In the uplands of Guatemala, the GIZ advisors supported the distribution of previously little used and locally adapted maize, bean, amaranth and peanut varieties and introduced new amaranth varieties from Peru.

Today the fields and settlements in the Jiboa valley are protected. Under instruction, the local people have built a simple dam between the river and Tierras de Israel. Slopes liable to landslip have been rendered safe by retaining walls of old tyres. These are cheap and easy to construct. Further up the valley, trees have been planted to enable the ground to soak up more water and give the slopes as much stability as possible. Lower down, rows of bamboo have been planted to protect the maize fields from the full force of any floods. With GIZ support, the village has also built two model cottages on stilts, 'in order to demonstrate a more robust style of building,' as

Kohler put it. This design may be traditional on the rainy Caribbean coast of Central America, but on the Pacific Coast of El Salvador it is an innovation.

Measures also included drawing up a risk map of the municipality. In future, building would be prohibited in zones on the map coloured red. All public building projects had to be accompanied by a simple risk assessment report. And the population was made ready for future emergencies: in addition to adapting food production to climate change, the local people also learned to carry out risk analyses and draw up risk charts; they organised disaster exercises and set up local committees; and they even built an early warning system involving water gauges, radio apparatus and loudspeaker masts. One thing was clear: they would not have to wait long for the next emergency and a chance to put defence measures to the test.

Success at national level

This came in late 2009, when Tropical Storm Ida tipped almost 600 millimetres of rain onto the Jiboa valley in a single night. This cost the lives of over 200 people throughout El Salvador. But in San Pedro Masahuat there was not a single fatality. Even the dam at Tierras de Israel stood firm. 'It was almost a stroke of luck for us,' says Kohler on reflection. 'After Ida we became the focus of the political world.' How can it be – so much water and yet no fatalities, just manageable material losses? A project initially conceived as emergency and transitional aid for a few chosen municipalities in Guatemala and El Salvador was suddenly in the national spotlight. In Guatemala, the office of the President that handles food security declared amaranth a strategic crop to combat periodic famines. And in El Salvador, risk maps like the one hanging in the town hall office of Disaster Risk Reduction Officer Santos Rodas in San Pedro Masahuat were made mandatory for all municipalities. 'San Pedro Masahuat,' says Rodas with pride, 'has become a model for the whole country.' ■

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EL SALVADOR AND GUATEMALA



> EL SALVADOR

Area in km²: 21,040
Capital: San Salvador
Population: approx. 6.2 million
Population growth: 0.32% per annum
Per capita income 2010: USD 3,423

> GUATEMALA

Area in km²: 108,889
Capital: Guatemala City
Population: approx. 14 million
Population growth: 2.5% per annum
Per capita income 2010: USD 2,840

Sources: Federal Foreign Office, CIA – The World Factbook

AT A GLANCE

- Reconstruction and Disaster Prevention in Central America after Hurricane Stan
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Partner:** Social Investment Fund for Local Development, El Salvador; Office of the Vice President of Guatemala
- **Overall term:** 2006 to 2011

Guatemala and El Salvador are regularly affected by hurricanes, flooding, earthquakes and volcanic eruptions. The situation in Central America is exacerbated by the increasingly tangible effects of climate change. In 2005, Hurricane Stan cost the lives of over 2,000 people and caused damage estimated at USD 1 billion; further damage was inflicted in 2009 by Hurricane Ida. In order to initiate a long-term and sustainable process of development – in addition to emergency aid and rapid reconstruction – GIZ restored the basis for agricultural and forestry production to 21 municipalities in El Salvador and Guatemala, based on the concept of development-oriented emergency and transitional aid. Seeds and food were provided in order to reduce vulnerability to future threats; more importantly, perhaps, fruit trees, coffee trees and forest plants were planted as a complement to existing land use, and terraces and protective strips were introduced to aid soil conservation. Other measures included drawing up risk analyses and risk maps for individual villages, early warning systems for flooding and landslides, disaster management exercises and the creation of local emergency committees. With appropriate training, local inhabitants were able to assume responsibility for the protection systems. Local protection concepts are coordinated with regional and national emergency relief systems. So far the project has directly benefited 20,000 families totalling 120,000 members in El Salvador and Guatemala.



Mamta Marwah helped set up GIZ International Services in Delhi.

OUT AND ABOUT

WORKING WITH A PASSION

IT IS LUNCHTIME AT the offices of GIZ International Services (GIZ IS) in Delhi and conversation is getting a little lively. Four Germans are in a heated debate with a group of male and female Indian colleagues about the rights of women in a heavily male-dominated society such as India. One woman is defending her viewpoint with a fiery sparkle in her eyes. Her name is Mamta Marwah. As Administrative Manager at GIZ IS in Delhi, she is a successful Indian woman and heads a team of seven. Mamta studied at the University of Delhi, is married with two children and has been working at GIZ since 2007. Out of hours she learns German at the Goethe-Institut in New Delhi. Together with Hans-Hermann Dube, Regional Director for South Asia, South-East Asia and China, she set up the IS office in Delhi with a small team of two and was there to witness its opening in October 2008. In hindsight, that was her biggest GIZ challenge to date: 'By comparison, the change of name from GTZ to GIZ at the beginning of the year was a piece of cake.' Mamta derives much of her motivation from the freedom she is given in carrying out her responsibilities. 'You can speak your mind here and implement projects with a degree of independence,' she says, her words once again underscored by that sparkle in her eyes.

Hanna Schulze visited Mamta Marwah in Delhi.



Mamta Marwah with Hanna Schulze at the GIZ IS office in Delhi.

ONE QUESTION, FIVE PEOPLE

WHAT DO YOU LOOK OUT FOR WHEN YOU SHOP?

Quality, use of raw materials, fair manufacturing conditions: five members of GIZ's staff tell us what is important to them when shopping.

1

RENATE MENGLER,
Product Management
Team Leader, Inter-
national Leadership
Training



'Not buying' is also an option

For my money I'm looking for quality and production that is socially and environmentally compatible, as well as products with a sustainable life cycle. This makes it more difficult to know which product to go for as consumer labels generally only look at individual aspects. So 'not buying' is also an option.

JENS KUNISCHEWSKI,
GIZ development worker
involved in strengthen-
ing grassroots organi-
sations in Boca do Acre,
Brazil



Actively seeking out local products

I'm an ethical shopper, so I try and buy locally produced goods. When cattle farming results in the destruction of forests around your own home, as is the case here in Boca do Acre, the choice between a vegetable lasagne and a steak takes on real local significance.

2

3

**RAIMUND
RIEFENSTAHL,**
Controller and co-
ordinator, Coopera-
tion with the Private
Sector



Products sold with minimal packaging

Raw materials are in short supply. I get annoyed by packaging and the waste it causes. I prefer recycled products. I also hate the concept of price dumping at workers' expense. I'm happy to pay a fair price for good products.

ZAKIA CHLIHI,
Junior Expert in Com-
munications, Human
Resources Depart-
ment, GIZ



Fair in-store working conditions

I'm very fussy about where I shop. I don't like contributing to the profits of supermarkets and department stores by shopping where there are unfair working conditions. For me it's about showing solidarity with the people who work there.

4

5

ANNA RAU
has been at GIZ since
2007 and supports
the implementation of
children's and youth
rights.



Good taste without harming the environment

When I go food shopping, I put a high value on products that taste good and are produced with the environment in mind. That's why I buy fresh organic produce, in the hope that when it says organic on the outside it really is organic on the inside. But I'm afraid I'm not yet quite as discerning when it comes to buying clothes.

THE WORLD IS YOUR OYSTER

Working abroad can be both exciting and educational. The first point of contact for anyone interested is the IBS, the Information and Advisory Centre – National Service Point for further vocational training abroad, based in Bonn.

Text Maria Kalina



An internship in Spain, on-the-job training in the United States or practical work experience in China – the opportunities for vocational training abroad are virtually boundless. The first point of contact in Germany for anyone seeking work experience abroad is often the IBS. Based in Bonn, the Information and Advisory Centre is run on behalf of the German Federal Ministry of Education and Research (BMBF). It is Germany's National Service Point for vocational training abroad, offering advice and guidance to trainees, graduates and students seeking to gain practical experience beyond their own borders. Sound guidance is essential because every stay abroad is different. 'What counts is the quality of the training,' says IBS employee Jolanthe Marx. 'It is important to match the profile of each applicant to the right offer.'

Helpful tips and advice

The work of IBS covers a broad spectrum: it helps people find the right training programme, advises on funding options and offers tips on how to prepare for life in the host country. In addition, the IBS is present at many education fairs and provides information on international training opportunities at congresses, conferences and information events. The IBS team of experts also provides support for multipliers, companies and private sector institutions with planning exchanges and training projects abroad. The service is much appreciated, since international human resources policy is often already enshrined in corporate strategy. Exchange with other countries also has a key role to play in developing new business contacts and international networks.

The annually updated brochure *Weiterbildung ohne Grenzen* (Further training without borders) provides an overview of German and international training programmes. It contains around 170 programmes from 80 host organisations and is available free of charge from the IBS. International opportunities for professional training are also available as a database on the internet. Other country-specific brochures provide tips and details on organisa-

tions, application methods and everyday life in the host country. Also available are lists that provide information on foreign language study abroad, exchange programmes for school students and foreign study programmes for university students, as well as a wealth of contact details, internship offers and internet platforms. Under the slogan 'Being there is different' (Da sein ist anders), the IBS also uses social media platforms such as Facebook to widen the circulation of up-to-date information and interact with young target groups.

Those who decide to further their education abroad generally do not regret it: a knowledge of foreign languages, cultural skills, openness and tolerance, and insights into unfamiliar working environments are just a few of the benefits young people bring back with them after a stay abroad. These are important skills in terms of personal development. But the rewards are there, too, for employers who encourage staff to spend time abroad. For the export-oriented companies of the globally operating German private sector, employees with international »

» INTERVIEW

'IT'S IMPORTANT TO BE OPEN'



Martin Kaess is training officer for technical professions at Dornier GmbH in Lindau.

Mr Kaess, why did Dornier decide to take part in the German-Norwegian trainee exchange GJØR DET?

We are a medium-sized company that manufactures weaving and film-stretching machinery and exports over 80% of its products. GJØR DET enables us to give our trainees not just professional training, but also something that benefits them personally.

Why do you consider it important for employees to spend time abroad even at the training stage?

We think a period spent abroad is a very good way of teaching our employees how to deal with other cultures and ways of life. Since we are predominantly an export business, it is vital that we attract employees who are open-minded and tolerant. The

trainees also learn to be more independent, because they are not only operating in a new working environment but have to deal with all aspects of daily life.

How much does your company benefit from the knowledge trainees bring back from abroad?

We benefit in the sense that trainees learn new and different approaches to their work and can apply these here in our company. Increased self-confidence also enables trainees to present and enact their ideas when it comes to problem-solving in teams.

What added value do employees' international skills bring for your company?

The added value for us lies in the fact that we are able to build long-term customer relations as a result of both our expertise and our image. What's more, we increase our desirability as an employer, since we don't just provide instruction, we also give our trainees the space to develop skills.

RECOMMENDED READING

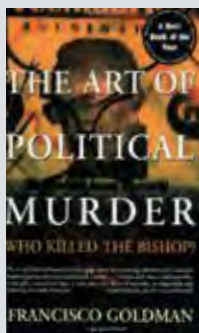
LITERATURE FROM ALL OVER THE WORLD



POEMS from Zimbabwe. Chirikure Chirikure is one of only a handful of poets to achieve international acclaim writing in an African language. A multilingual volume (Shona, English and German) of rhythmic

poetry with subject matter ranging from myths to machine guns. An independent, unique voice.

Ilija Trojanow, writer, translator and publisher



FRANCISCO GOLDMAN took the murder of the Guatemalan Bishop Juan Gerardi in 1998 as an occasion to dissect a political crime. This is methodical investigative journalism told through the medium of literature. We are left with

bitter-comic theatre of the absurd in a grand style, reality as grotesque.

Thomas Wörtche, literary critic and expert on crime writing



DURBAN, SOUTH AFRICA: Indian-born Doctor Arif has been murdered. Was it because he became a thorn in the side of the country's authorities after looking into an African strain of the AIDS virus? Written in crime

novel format, High Low In-between offers an insight into a country in upheaval. Coovadia covers issues such as racism, AIDS and the trade in organs.

Claudia Kramatschek, writer and literary critic

Chirikure Chirikure: Aussicht auf eigene Schatten. Poems. Trilingual edition. German translation by Sylvia Geist. Verlag Das Wunderhorn. ISBN: 978-3884233689

Francisco Goldman: The Art of Political Murder. Novel. Grove Press. ISBN: 978-0802143853

Imraan Coovadia: High Low In-between. Novel. Umuzi/Random House (Pty) Ltd. South Africa. ISBN: 978-1415200704

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

GIZ PUBLICATIONS

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

👉 www.giz.de/publications



Mountain Gods and Wild Rice. Agrobiodiversity as a Basis for Human Existence – Contributions from China. Jörn Breiholz, Tanja Plötz and Dr Thora Amend. Available in German and English.



Programme for Development Partnerships with the Private Sector. Manual. Christian Görg, Marike Schumacher, Ingrid Hack et. al. Available in English and German.



Stakeholder Dialogues. Manual. Christian Görg, Marike Schumacher, Judith Kohler, Johannes Herde et. al. Available in English and German.



Recovering resources, creating opportunities – introducing the informal sector into solid waste management. Ellen Gunsilius, Sandra Spies, Sofía García-Cortés et. al. Available in English.



Entwicklung ländlicher Räume: Von Bewährtem lernen – Neues entwickeln. Erfahrung der Entwicklungszusammenarbeit in vier Kontinenten. Dr. Dieter Nill. Available in German.



The Egyptian author Mansura Eseddin (left) and Iraqi writer Abbas Khider read from their works at the Arabic Literature Festival.

NEW DEPARTURES IN ARABIC LITERATURE?

ARABIC LITERATURE FESTIVAL. Since the start of the Jasmine Revolution in Tunisia in December 2010, the Arab world has been in a state of transition. The outcome of the Arab Spring remains open. But one thing is certain: the remarkable developments in the Middle East and North Africa will also change the face of Arabic literature. On 20 and 21 January 2012, litprom – the Society for the Promotion of African, Asian and Latin American Literature – will present its ‘Weltempfänger’ list of best new novels at the Arabic Literature Festival

in Frankfurt. The event will bring together Arabic and German authors, translators, literary scholars and critics to discuss the new relationship between literature and politics.

How do literature, society and politics interact in this transitional phase? Are Arabic writers able to write more freely after the revolution than before? What subversive role did literature play in encouraging the uprisings? Those involved in creating literature also discuss the role literature can play in promoting cultural and political change and any answers

the West may have. This festival also offers a wide range of cultural fringe events.

Event: Arabic Literature Festival in Frankfurt: New move towards freedom? Literary writing in the wake of the Arab Spring 2011

Venue: Literaturhaus Frankfurt am Main

Date: 20 and 21 January 2012

👉 www.litprom.de

PREVIEW

akzente issue 01/2012

POLITICAL PARTICIPATION. Every civil society and every democracy depends on active and responsible citizens. A lively civil society is also a sign of good governance. And good governance is a key prerequisite for human development and success in peacekeeping and poverty reduction. Promoting good governance lies at the heart of international cooperation and is therefore a key field of action for GIZ. An important approach is to strengthen civil society, since it promotes good governance – and development at the same time. You can find out more about the complex issues surrounding this topic in the next issue of akzente.



PHOTOS: GIZ/MICHAEL TSEGAYE, UNIONSVERLAG, JAKOB STEDEN

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Petra Hannen explored the links between resources and development cooperation.
www.satzblei.de



Maria Kalina works for GIZ at the IBS Information and Advisory Centre in Bonn.



Rainer Kaufmann has been working in the Caucasus for over 20 years as a TV journalist, author and entrepreneur.



Toni Keppeler is a freelance journalist. In this issue of *akzente* he reported on disaster risk reduction measures in Latin America. www.latinomedia.de



Markus Kirchgessner is a freelance photographer. For this issue he took the portrait of José Eduardo Agualusa.
www.markus-kirchgessner.de



Gabriele Rzepka is a freelance journalist. She has been writing for many years on issues relating to development policy and technology.



Hanna Schulze works for GIZ and wrote the portrait of Mamta Marwah, GIZ Administrative Manager in Delhi.



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www.seegrund.ch

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akzente was honoured with a Gold Mercury Award and a Gold Fox Award in 2011 and a silver medal at the 2010 Best of Corporate Publishing Awards.



The extraction of mineral raw materials results in waste deposits or tailings that require secure long-term storage. As here in the US state of Utah, this muddy waste is pumped into tailings ponds – man-made dams that are exposed to natural phenomena such as rainfall. Considerable technical expertise and clear legal guidelines are essential if environmental damage is to be avoided.