

The GIZ Magazine

akzente

Financial systems

Stable financial markets are needed for sustainable growth and progress.

OTHER TOPICS:

Face-to-face: Interview with Tanja Gönner, the new Chair of GIZ's Management Board

Sri Lanka: Construction work creates opportunities for women.

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COVER PICTURE: MICHAEL FREEMAN/CORBIS



The traditional gold ingot is just one of many forms in which the precious metal is cast. Our cover photograph shows the product range of a Hong Kong gold manufacturer.

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giz COMPANY PROFILE



The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH offers sustainable and effective solutions for political, economic and social change processes. GIZ is a federal enterprise and employs over 17,000 staff members and operates in over 130 countries worldwide.

www.giz.de/en

PHOTO: JENNY MATTHEWS/MSUM (2)



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DEAR READER,

For many people the financial and economic crisis has severely shaken confidence in the honesty and integrity of the financial sector. The key role played by the financial sector in developing the economy, society and the state has been overshadowed by the contorted image of unscrupulous dealings and speculation on the part of investment banks. And yet savings banks continue to provide urgently needed loans to consumers, provide start-up finance for new companies and operate current accounts for millions of people. Their specially developed financial products and funding instruments can even help leverage ecological and climate goals. The IN FOCUS article on ‘change agents’ reveals how stable and properly regulated financial markets support change, growth and progress. GIZ provides advisory services worldwide to governments and the private sector on shaping policy and legal frameworks for a responsible financial sector.



As part of Angela Merkel’s Dialogue on Germany’s Future, GIZ recently conducted a study on ‘Germany in the Eyes of the World’. One of 18 key experts appointed to lead the dialogue is Dr Christoph Beier, Vice-Chair of the GIZ Management Board. For the study, GIZ surveyed 120 key figures in 21 countries about the way Germany is perceived throughout the world. This issue of akzente presents the findings and takes a closer look at two particularly interesting interviews.

Finally, we are delighted to be able to introduce the new Chair of the GIZ Management Board, Tanja Gönner, who took over from Dr Bernd Eisenblätter in July 2012.

Dorothee Hutter,
Director of Corporate Communications

Tanja Gönner is the new Chair of GIZ's Management Board



The new Chair of the GIZ Management Board, Tanja Gönner (centre), with her Management Board members: Hans-Joachim Preuß, Cornelia Richter, Christoph Beier and Tom Pätz (from left).

APPOINTMENTS Tanja Gönner, a member of the state parliament of Baden-Württemberg, is the new Chair of the Management Board of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. She takes over from Bernd Eisenblätter, who stepped down earlier this year. The Supervisory Board con-

firmed Christoph Beier as Vice-Chair of the Management Board. Other appointments included the current Member of the Management Board Tom Pätz and Cornelia Richter, formerly Director General of GIZ's Sectoral Department. Hans-Joachim Preuß retains his seat on the Management Board. Hans-Jürgen

Beerfeltz, State Secretary at the Federal Ministry for Economic Cooperation and Development and Chair of GIZ's Supervisory Board, welcomed the appointments, saying: 'This is a good mix of people, personalities and experience, putting GIZ in an optimal position to continue its path to growth. It can carry on providing the best possible support to the German Government's international cooperation work.'

Tanja Gönner thanked the Supervisory Board for the trust it had placed in her and declared that she was looking forward to her new role. 'I know I can build on a very solid foundation, with a skilled and highly committed workforce,' she said.

In making these appointments, the Supervisory Board is implementing the resolution adopted by the shareholder (the Federal Republic of Germany) in December 2010 to reduce the size of the Management Board to five, at least two of whom must be women.

> An interview with Tanja Gönner can be found on page 26.

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IN FIGURES Development of Tourist Sites in the Montenegrin Hinterland – a project implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development – is beginning to take effect: in the small town of Cetinje alone, 80 new tourist enterprises have been registered since 2007.

Since 2010 Montenegro has featured in the programmes of 18 international tour operators.

GIZ Management Board members say farewell

FAREWELL After 19 years at the helm of the company, Bernd Eisenblätter stepped down from his role as Chairman of GIZ's Management Board in Berlin on 14 June in the company of 200 friends and associates from the spheres of politics, business, culture and the media. The



guest list also included President of the German Bundestag Norbert Lammert, former President of the Bundestag Rita Süßmuth and German Federal Minister for Economic Cooperation and Development Dirk Niebel. Niebel made special mention of Eisenblätter's outstanding service during the period of company restructuring: 'GIZ would certainly not be what it is today without what you have done.'

Tributes were also paid to GIZ Management Board member Jürgen Wilhelm, who retired on 12 July in Bonn and like Eisenblätter played a significant part in shaping German development cooperation over many years.

< Bernd Eisenblätter with TV presenter Dunja Hayali

Mobilising the potential of the private sector



Dirk Niebel, Federal Minister for Economic Cooperation and Development, was speaking at the anniversary celebrations of GIZ IS.

ANNIVERSARY GIZ International Services (IS) was established in 2002 as an independent business area, bringing together GIZ's commercial operations. Known then as GTZ, the company received its first commercial commission in 1975, to build three hospitals in Saudi Arabia. In 2002, the year in which IS was founded, orders for €170 million were received; by 2011 this figure had risen to €252 million. In a ten-year period it

has implemented 1,700 projects. The anniversary was celebrated at a soirée at the Godesburg in Bonn, under the theme 'embracing the future'. Before an audience of around 100 invited guests, Dirk Niebel, the Federal Minister for Economic Cooperation and Development, promised that IS would not be resting on its laurels after ten years of success, but would continue to mobilise the potential of the private sector.

Energy project receives Ashden Award

AWARD A project to build micro-hydro facilities in north-east Afghanistan has won a coveted Ashden Award. GIZ and INTEGRATION Consulting Group were together presented with the £20,000 prize in London in late May. The Ashden Awards were created in 2001 to promote the use of sustainable energies, slow the pace of climate change and reduce poverty. Six micro-hydro plants have been built, thanks to support from the German Government, generating electricity for 63,000 people, 110 public organisations and 645 small enterprises.



Micro-hydro plants supply electricity to remote regions of Afghanistan.

www.ashden.org

> PARTNERSHIPS

Global engagement

DIVISION OF LABOUR Engagement Global gGmbH (Global Civic Engagement) and GIZ have established what form their cooperation will take in future. The agreement defines a division of tasks both in Germany and abroad and sets out mechanisms for partnership. It regulates cooperation with civil society organisations, German states and municipalities. A cooperation committee has been formed.

www.engagement-global.de

Pro-climate business

ENVIRONMENT Since May, GIZ has been a member of the initiative 'Wirtschaft pro Klima' (pro-climate private sector), which was created by the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M. e.V., the German Environmental Management Association). B.A.U.M. Chairman Maximilian Gege said GIZ was in many ways a pioneer in corporate climate protection. GIZ has signed up to the B.A.U.M. code on environmentally conscious corporate management.

www.wirtschaft-pro-klima.de

Goethe-Institut

CULTURE The Goethe-Institut and GIZ have been partners for many years. A recent agreement has now given this cooperation a framework. 'Culture promotes social cohesion and social development,' said Christoph Beier, Vice-Chair of GIZ's Management Board. 'That's why identity and traditions must be preserved and used for development purposes.'

www.goethe.de/enindex.htm

Candidacy to host the Green Climate Fund



HEADQUARTERS The Green Climate Fund is scheduled to commence operations in 2013. One of its objectives is to finance measures in emerging economies and developing countries to reduce greenhouse gas emissions and help implement adaptation to climate change. The location of the Green Climate Fund's headquarters will be announced before the 18th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Qatar at the end of 2012. The 24-member board charged with preparing the decision is made up of 12 representatives from industrialised nations and 12 from developing countries. Six countries have submitted applications, including the German Government's proposal for the city of Bonn. GIZ is advising the task force set up by the German Government to develop and run the campaign. Support also involves GIZ's Agency for market-oriented concepts (AgenZ) and its Competence Centre for Climate Change. Locating the Green Climate Fund secretariat in Bonn could create up to 300 jobs.

www.greenclimatefund.de

New species of frog discovered in the Philippines

CLIMATE CHANGE MITIGATION The world is full of surprises. Two previously unknown species of frog were presented to the world in Manila (Philippines) in April 2012. They were discovered in November 2011 in the Philippine province of Southern Leyte during a mapping study of species diversity. The two new forest-dwelling frog species belong to the genus *Platymantis*. The study was commissioned by the GIZ as part of a project of the International Climate Initiative, which is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). The Initiative's secretariat is coordinated by GIZ. It receives annual funding worth €120 million from the German Government. During the one-

month mapping exercise, a total of 229 plant species were registered, 31 of which are endemic to the Philippines, and 212 terrestrial vertebrate species, including eleven endangered bird species. A GIZ-assisted project helps the Government of the Philippines to improve its forestry policy and provide incentives for forestry conservation and rehabilitation. The measures aim to reduce emissions from deforestation, conserve and protect biodiversity and improve living conditions for local communities.

www.bmu-klimaschutzinitiative.de



Following the discovery of new species, the Southern Leyte Provincial Government applied to the Philippine Government to set up new nature reserves.



Learning by playing

AIDS PREVENTION The Fair Play project, implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), combines two activities: football and HIV prevention. The initiative has attracted celebrity support in the shape of multiple world boxing champion Vitali Klitschko. In June, Klitschko visited one of the tournaments organised by the project in Kyiv (Ukraine). Ukraine has the highest prevalence of AIDS in Europe. Fair Play has already reached 30,000 children.

www.fairplay-ua.org



A role model to youngsters: Vitali Klitschko visits the AIDS prevention project in Kyiv.

Sharing water

COFINANCING Transboundary Water Management in the SADC Region, a project assisted by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), is aimed at preventing potential conflict over water. Two cofinancing agreements have recently been concluded: the Australian development agency AusAID is to contribute €13.5 million, and the UK Department for International Development (DFID) around €19.5 million. The programme supports the Southern African Development Community (SADC) and 15 member states. Here, river basin organisations made up of local residents make decisions on transboundary plans and water management measures.

PHOTOS: MARITA BLAUTH/INTRO (6 TOP); GIZ/JÖRN LEONHARDT (7 LEFT); MANUELA ZIEGLER (7 RIGHT)



PROGRESS

Project results

SUCCESSFUL NATIONWIDE LEARNING

Vocational education system in Bosnia-Herzegovina bearing fruit

- **Project:** Vocational education
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Overall term:** 2003 to 2010

BACK IN 2009, akzente showcased an example from Mostar in a report about vocational education in Bosnia. Among the challenges facing the country at the time was the need for a standard national curriculum and a framework law for education.

TODAY around 30% of vocational training centres in Bosnia-Herzegovina have already adopted core elements of in-company and industry-oriented vocational education. The first students to have graduated using the new curricula left their vocational training institutions in 2011; there are currently 2,000 students at learning institutions nationwide that have adopted the new curricula. Surveys show that companies are satisfied with the practice-oriented training concept and with students' performance. Thanks to the standardised national training programme the students are able for the first time to move to other parts of the country and continue with the same curriculum.

'Go ahead, try on the larger shoes –
you'll find they fit!' (USA)

'What is this idea of freedom?
Here in Brazil we know we don't
have many freedoms, but we
make better use of those we do
have. In Germany people often
fail to appreciate what they
have, including freedoms.' (Brazil)

'When it comes to
the environment,
Germany thinks long
term. The move
towards alternative
energy sources is an
excellent thing. Even
if Germany only
achieves 80% of its
targets rather than
100%, it will be a
success for Germany
and an example for
the rest of the
world.' (Palestinian territories)

'Germany is an inno-
vative country that
manufactures good
products which are
actually useful. What
do we in America do
by comparison?
Facebook goes public
and some fantastic
figure is put on it,
but what is behind
it? It's the greatest
lottery of all times.
It has nothing to do
with real, good,
sustainable products
or services. The
Germans are genu-
inely productive.' (USA)

'German
infrastructure
and transport
are enviable –
vastly
efficient, well
structured and
safe. That
gives Germans
incredible
freedom.' (South Africa)

'Within Europe Germany is the country that has made the
greatest effort to deal appropriately with its own past and has
been most successful in this. Germany has the most deeply
rooted tradition of education for democracy.' (Poland)

'Germans learn from a very early age to work
independently and systematically. The Chinese
are also highly qualified but often unable to
write a text on their own. Germans are taught
to study independently.' (China)

'Germany has become THE voice of the EU. It will be closely watched and held responsible. I regard this as the greatest challenge. There is only one lion in the ring at the moment – and that's Germany!' (India)

'I would not like to live in Germany, there is little freedom, there are controls and penalties for everything, there's too much control for my liking. It's as though even the mushrooms in the woods are counted and labelled.' (Kazakhstan)

'The MP3 player was developed in Germany – but nobody knows!' (Brazil)

GERMANY IN THE EYES OF THE WORLD

'What do people around the world think of Germany today?' GIZ investigated this question as part of the 'Dialogue on Germany's Future', the initiative launched by German Chancellor Angela Merkel. The results have now been published in a study.

Text Katja Suhr

From euro crisis to climate change, from migration to energy supply – it is no longer enough simply to tackle the major challenges of our time at the national level. In the globalised world, the interrelationships between political, economic, ecological and social factors are much too complex. States seeking to sustainably shape international development and protect their national interests must build robust and broad-based international relations. And the best way to develop these is by finding out exactly what hopes and expectations are invested in your country worldwide.

Friends of Germany speak out

In order to find out how people around the world currently view Germany, GIZ asked representatives from the spheres of economics, politics and civil society in 21 countries worldwide for their personal impressions and opinions of Germany. The survey was part of the 'Dialogue on Germany's Future', the initiative launched by German Chancellor Angela Merkel, which has Vice-Chair of the GIZ Management Board Dr Christoph Beier as one of 18 appointed key experts. In total, the 120 men and women were surveyed – a cross-section that included a Brazilian student, a »

Turkish winner of the Order of Merit (Bundesverdienstkreuz), an Indian environmental activist and the former President of Indonesia. Most have personal experience of Germany or are in close and regular contact with Germans in their own country. But statements were also taken from people whose knowledge of Germany comes entirely from the media.

Love at second sight

The results of the survey create a very diverse picture of Germany's strengths and weaknesses, opportunities and risks, which goes far beyond the usual clichés. Many of those interviewed, for example, gave a positive verdict on German efforts to achieve sustainability and develop and use progressive technologies to improve climate and environmental protection. Many also considered the political system exemplary, with its emphasis on participation and federalism. But the interviewees were not sparing in their constructive criticism either. It was clearly expected that Germany would take on greater leadership responsibility in the international context. And not least came the recommendation that Germans should give greater priority to cultural and social factors, as opposed to just outstanding engineering achievements. In this way, perhaps, people's 'love at second sight' might turn into a more spontaneous international affection for Germany.

The results are clearly of great importance to German politics and German business, but also to organisations such as GIZ. For they open up options for international cooperation and in individual cases even highlight specific need for action. All recommendations from around the world were put before the German Chancellor Angela Merkel in August. ■

> FURTHER INFORMATION

Download the study

👉 www.giz.de/agenz

Dialogue on Germany's Future

👉 www.dialog-ueber-deutschland.de

» INTERVIEW

'LEADING WITHOUT DOMINATING'



Agnieszka Łada heads the European Programme of the Polish Institute of Public Affairs in Warsaw.

How is Germany perceived in Poland during these turbulent times?

I think the majority of the Polish elite expect greater activity from Germany. Given that the German economy gleans such benefits from the EU, we feel it almost has an obligation in this regard. We see Germany as having a leadership role within the EU. But rather than dominating, it should also take other smaller countries into account. Of course we understand that Germany has no desire to pay for the 'sins of the south'. But we expect it to seek solutions in dialogue with others and not in isolation.

What image do you have of democracy in Germany?

It's very German to worry about things too much. As soon as something is motivated by politics, there are fears for democratic stability. It makes me laugh, but you have to admire it too. And given Germany's past, it is easy to understand German concerns that things could go wrong with democracy. They are keen not to send out the wrong signals. And people view Germany differently than other countries.

A country of science, business, innovation – what is your image of Germany?

We associate Germany with having a state-of-the-art research and development sector that produces cutting edge technology. We also think the general conditions are excellent, even though people in Germany probably say there is not enough funding at present. In Germany, scientists and entrepreneurs work in tandem. That's something we would like to see here in Poland. In my view everything is interlinked: German technology, the positive image of the German economy, the power to innovate.

What are the biggest challenges Germany will face over the next ten years?

To reinvent a role for itself in Europe, I think. The current crisis is no longer just an economic crisis; it is something which goes much deeper. The country has to redefine its politics as well as get on top of such domestic challenges as the integration debate, labour market reform, new social movements, new political trends and declining civic participation. The internal stability that existed a few years ago is gone. And yet Germany must also have the courage to look beyond its borders, approach new partners and at the same time undertake reforms of its own.

What advice would you give the German Chancellor?

She has to make quick and decisive decisions – and communicate them clearly.

» INTERVIEW

'DON'T FORGET TO SHOW YOUR SOFT SIDE'



Subhash Agrawal is a political analyst in New Delhi and founder of India Focus, a private think-tank.

When you think of Germany, what's the first thing that comes to mind?

The stereotypes, actually: good engineers, fast cars, state-of-the-art technology. Precision instruments and more fast cars. Superb motorways. Everything's solid and robust.

And behind the scenes?

Germany has important traditions and is known for its intellectuals, academics and the discovery of a new world of knowledge. It's home to great scientists, musicians, thinkers and artists. Germany was a major contributor to the European Renaissance and the Reformation.

What role do you think Germany plays in Europe and at the international level?

I think that Germany is beginning to change the way it understands and fulfils its role as a leader in Europe and as a major player within the international community. To be honest, I also think that Germany is still too hung up on what the Americans, British and French think of it. If you continue to focus international dialogue on three or four preferred partners, India and the rest of the world will start to feel left out. It's time for Germany to stop looking over its shoulder. It needs to shake off the mantle of dependency – by that I also mean its dependency on existing alliances. Germany reminds me of a 50-year-old, well-educated man with a good job who still lives with his parents because a childhood trauma prevents him from establishing an independent existence.

Tell us about the Germans who live here in India.

You only ever see the serious business types in a suit and tie in India. It would boost Germany's image no end if Germans were to reveal their soft side, too. Germany needs to take its role as a 'soft power' more seriously in future.

What's your opinion of German politics and German social structures?

Germany's democratic system is exemplary and innovative. Political participation and civic engagement strengthen civil society and help shape Germany's national identity. Germany has reliable, effective instruments at its disposal for reconciling conflicting interests. That's a major inspiration for other countries.

What do you think is Germany's greatest historic accomplishment?

Reunification, without a shadow of a doubt. The world knows far too little about it. You need to share your strengths and weaknesses with the world!

'Germany sells too much of its mind (technology, business, etc.) and not enough of its heart (fun, nature, art and culture, orchestras, movies, music, etc.). Germany must embark on emotional storytelling, in order to win hearts.' (India)

'One explanation for Germany's sustained economic prowess could lie in its system of education and training. Its dual system is designed very much with sustainability in mind and is thought to be the basis of economic growth.' (USA)



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| SHP | CHF | TZS | AED | VEF | YER | TMT | ZWD | SER | | |



FINANCIAL SYSTEMS

THEMES

IN FOCUS: Change agents – how transparent and reliable financial markets are creating the basis for sustainable development.

INTERVIEW: Agricultural insurance firms are creating prospects for small farmers.

OVERVIEW: Examples of GIZ's work

FACTS & FIGURES: The development of financial systems

Change agents

Stable financial markets are needed for change, growth and progress. This is unlikely to succeed without regulation. The secret lies in finding the right balance.

Text Friederike Bauer **Illustrations** Sabine Schiemann

You cannot miss Indonesia's central bank, its two imposing skyscrapers soaring upwards, surrounded by neat lawns and rows of graceful palms. The bank's spacious premises are located at the heart of the capital Jakarta, with the National Monument and the Presidential Palace within easy reach. From an architectural point of view, the central bank is an important landmark in the city; but politically, too, it is a fundamental part of the system. Its presidents are popular interviewees and enjoy huge respect among the population. There is something highly symbolic about the visibility and splendour of the building, the respect for and influence of its management team. For the central bank plays a key role in Indonesia, and is considered a guarantor of stability and security in the country.

Elsewhere, too, central banks are now attracting a great deal of attention. Whereas they used to only attract attention if they announced a change in interest rates, today virtually every statement is headline news. From Jakarta to Washington, from Frankfurt to Mexico City, in these times of financial and economic uncertainty they are all seeking the best remedies for healthy and productive financial markets. Only recently the heads of the central banks and finance ministers of the G20 nations met for talks. 'We remain committed to taking the necessary actions to secure

global financial stability,' they pledged in their final declaration. These declarations have had a recurring theme for the last three or four years. The aim is always to avoid any fresh turmoil by introducing very clear-cut internationally binding regulations. The latest crises have illustrated in a most disconcerting fashion even to the wider public the actual scale of the fallout from ailing banks – causing public finances to collapse, putting national economies into a tailspin and bringing financial ruin to individuals.

A public good

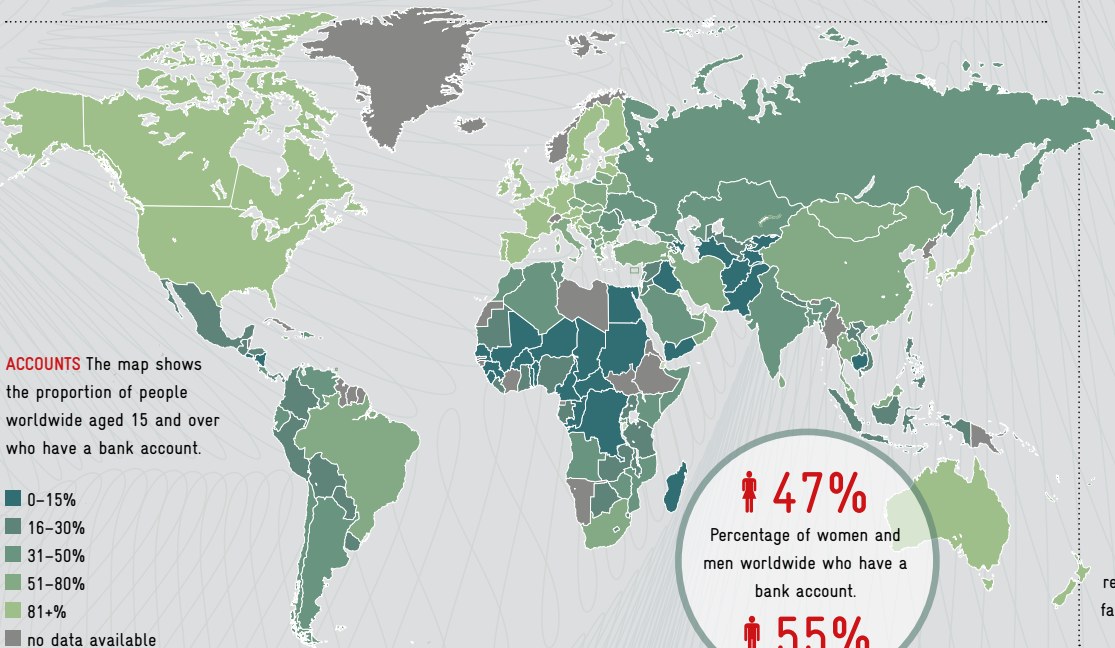
The former German President Horst Köhler, who also once headed the International Monetary Fund, went so far as to describe the financial markets as a 'monster' that needed taming. Köhler's drastic analogy not only met with agreement – particularly in the world of finance – it also marked a sea change in the world of politics. Since 2008, there has been a renewed understanding that financial markets are not an end in themselves and must not be allowed to become detached from the real economy. Rather, their primary task is to provide companies and households with financial services – in other words, with loans and investment opportunities, with foreign currencies and insurance plans. The importance of sound financial markets »



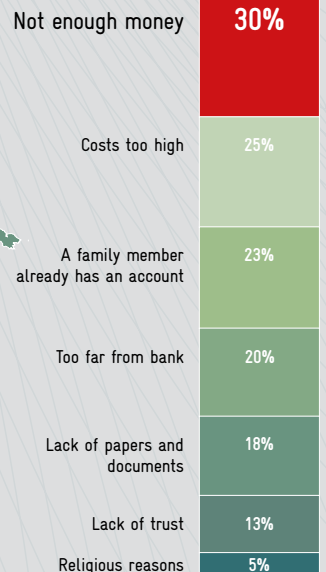
Having a bank account gives people like these members of a microfinance institution in Ibrahimpatnam, India, access to financial services.

INCLUSION IN THE FINANCIAL SYSTEM

Opening a bank account is traditionally the first step in gaining access to formal financial systems. Anyone without one is unlikely to have access to financial services such as loans, pension plans or savings products.



SOURCES: MEASURING FINANCIAL INCLUSION, WORLD BANK 2012; THE LITTLE DATA BOOK ON FINANCIAL INCLUSION, WORLD BANK 2012



NO MONEY, NO BANK ACCOUNT: in a survey conducted by the World Bank, 30% of participants gave 'too little money' as a reason for not having a bank account. Other factors also played a role, with respondents giving a variety of reasons.

SOURCE: MEASURING FINANCIAL INCLUSION, WORLD BANK 2012

to the common good, to the economy, to growth and employment became evident only recently when they ceased to perform their function, resulting in a crash. Suddenly we were faced with potential liquidity shortfalls, credit crunches, weak currencies and much more. Whatever the threats, real or perceived, one thing was clear: financial markets are 'systemic in nature', and as German Chancellor Merkel has frequently pointed out, they are 'a public good'.

A country such as Indonesia is all too familiar with what happens when banks follow their own rules. In the aftermath of the Asian Crisis of 1997, the entire region suffered a severe economic slump, due in part to lax banking supervision. The country's economy contracted – by a full 13% in one year alone – unemployment increased, incomes fell and poverty rocketed. The result was insecurity, social tension and ultimately the collapse of the Suharto regime. It would take years for the country to recover, a period that also provided an opportunity to rethink the allo-

cation of roles between the state and the private sector. Where impressive growth rates once swept away all concerns about a lack of checks and balances, suddenly there was consensus that the market required a rigid framework. Stability was now the overriding goal of political leaders, and security their credo. GIZ financial expert Thomas Förch sums up Jakarta's change of attitude as follows: 'The financial market underwent root-and-branch reform in the aftermath of the Asian Crisis. Banks had to start meeting all kinds of requirements, in particular with regard to equity capital, risk management and investment activities.' In all of this, the central bank played a crucial role, which goes some way to explaining why it now enjoys an excellent reputation. GIZ supported this reform process on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) for several years until 2011. It helped, for example, to implement key agreements within the Basel II framework, which lays down requirements

» INTERVIEW

BETTER INSURANCE FOR SMALL FARMERS IN ASIA



Michael Anthony, Head of Emerging Markets Development and Agricultural Insurance, Allianz Re

'Remote sensing-based information and insurance for crops in emerging economies' (RIICE) is an agricultural insurance programme that uses satellite-based information to increase rice yields and insure farmers against adverse weather and climate risks. So how does it differ from previous insurance schemes?

We work with satellite technology and radar instead of using visual data. This means we are able to recognise losses from natural disasters even as a typhoon is blowing its way across a stretch of land. This saves on time and staff. The type of development partnership we have created at RIICE is another new feature. Policy development involved both GIZ, acting on behalf of the German Federal Ministry for Economic Cooperation and Development, and the Swiss Agency for Development and Cooperation.

Who benefits from RIICE?

The insurance schemes will improve protection for small farmers in Bangladesh, Cambodia, India, Indonesia, Thailand, Viet Nam and the Philippines against financial risk arising from natural disasters. Governments receive data about rice yields and are able to plan imports and exports more accurately. Non-governmental organisations receive warnings at an early stage to enable them to provide more effective aid in the aftermath of natural disasters.

Cooperation with Allianz Re will run for an initial period of three years. What made Allianz Re decide to join the RIICE programme?

Agricultural insurance is a growth market because governments have a growing interest in managing risk on account of climate change and problems with food security.

for banks to set aside sufficient capital to cover risk exposure, and to develop risk management and reporting standards for microfinance institutions. The project, which Thomas Förch also worked on for several years, reported directly to the central bank. Germany was able to give Indonesia some assistance in overcoming the most recent crisis ‘remarkably well’, says Förch. After achieving 4% growth in 2009 – a year, it should be said, in which many states suffered negative growth – the country now predicts figures of 6 to 7% for 2012. ‘So far Indonesia’s economy has weathered the storm well,’ announced the central bank’s governor Darmin Nasution recently, with a good deal of optimism. It is music to the ears of the nation.

No blueprint

‘What has worked in Indonesia, however, will not necessarily work elsewhere,’ says Förch. Problems and conditions

vary too widely from one country to another. Experts argue with one another even about broad policy approaches, both in national bodies and in international institutions such as the European Union and G20. A generally accepted definition of what we understand by ‘financial market stability’ is still lacking. Instead, it is up to every country to see how it can anchor international standards within its culture or create standards of its own. ‘But one thing is clear,’ says Wolfgang Bückner, director of the GIZ Competence Centre for Financial Systems Development, ‘what is needed are efficient and stable financial systems with clear regulations. These are indispensable if economic development is to be sustainable and broad-based. In addition, access to savings and credit products in partner countries must be further improved. Stability in the financial sector and access to financial services are two sides of the same coin. Together, they enable societies to shape up and tackle new challenges.’ »

Why do you need public-sector partners? Couldn't a company like Allianz provide similar insurance on its own?

Around the globe, agricultural insurance is provided through public-private partnerships, since it could not function without subsidies. Insurance premiums would be too high and impossible to finance for those affected. That's why governments support their agricultural sector through subsidies – including insurance. This means the risk of crop failure arising from natural disasters can be hived off to the insurance market. In effect, we are managing an agricultural insurance system and shouldering the risk on behalf of the government. This brings transparency and efficiency and ultimately leads to lower costs.

What is GIZ's role in this concept?
GIZ knows the needs of governments and

small farmers better than a global reinsurance company and has a more neutral approach. That's why we need it for this project.

The programme will initially be introduced in seven countries in Asia. Can you see it being rolled out subsequently in Latin America or Africa?

Yes, without a doubt.

Does the system only work in countries with a certain level of income?

Some developing countries may not be able to afford an agricultural insurance system, but a risk assessment is always carried out before each insurance policy is issued.

Could RIICE also be applied to other crop types such as millet, wheat or corn?

Yes, that's possible. We are currently trialling the technology for wheat and corn.

Are there other donors or insurers who are taking a similar approach?

Although there are other countries and initiatives that use satellite-based information for insurance or development cooperation purposes – USAID for example is collaborating with NASA – what is unique here is our ability to serve the entire value chain as we have created it – from raw data through to the small farmer. That is the great achievement of this project.

Interview by Friederike Bauer

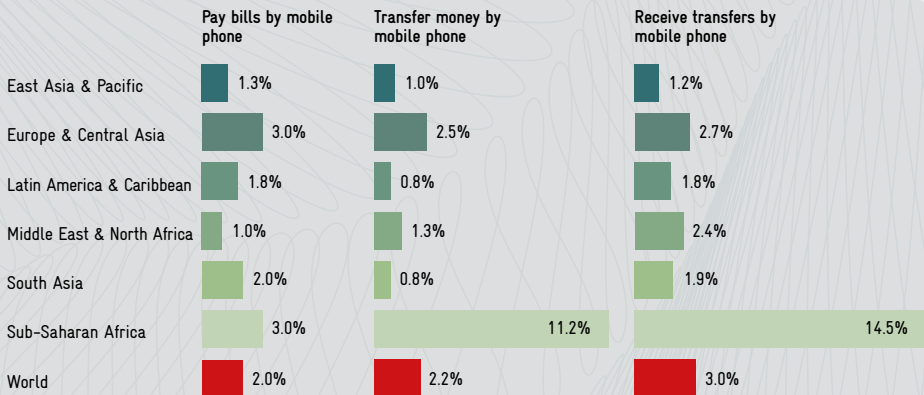


Kiosks that allow customers to make financial transactions by mobile telephone are already a familiar sight on the streets of the Ugandan capital, Kampala.

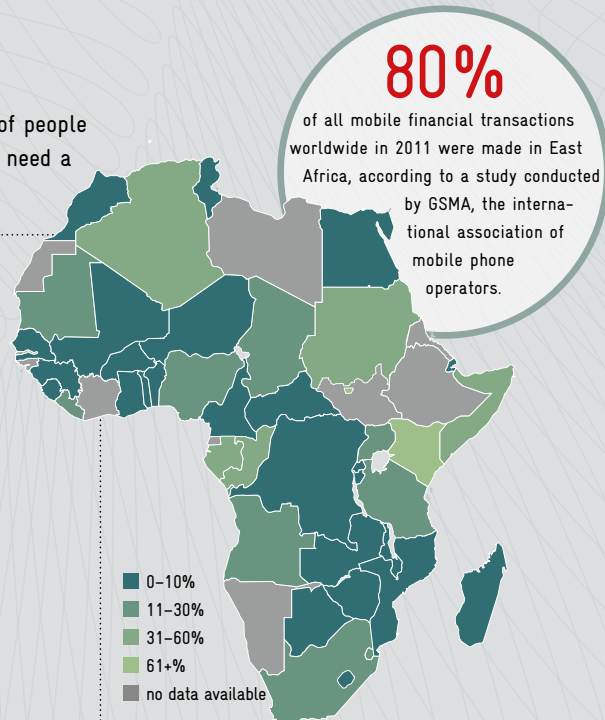
INCLUSION BY MOBILE PHONE

Modern communications technology fosters financial inclusion. An increasing number of people are using their mobile phones to transfer money and pay bills. You do not necessarily need a bank account – prepaid credit from the mobile network operator is often enough.

AFRICA BLAZING THE TRAIL Africa is a pioneer in the use of so-called mobile money solutions. To a great extent this is a result of the poorly developed landline infrastructure and relative lack of access to formal banking services on many parts of the continent. The table below shows the number of people aged 15 and over in different parts of the world who make financial transactions by mobile phone:



SOURCE: MEASURING FINANCIAL INCLUSION, WORLD BANK 2012



MAJOR DIFFERENCES The map shows the number of people aged 15 and over who use their mobile phones for financial transactions in different countries in Africa.

SOURCES: GSMA, THE ECONOMIST INTELLIGENCE UNIT, WORLD BANK 2012

In particular, an economy based on the division of labour is inconceivable without a sound financial system. Put simply, self-sufficiency requires little or no money. Although in theory, potatoes could be bartered for oil, dispensing with the need for currency, it is now inconceivable for advanced, productive societies not to have a highly evolved financial system. It is through its so-called transformation function – which for example mobilises savings deposits, where money is in surplus, to generate finance for loans – that the financial system is able to help develop or sustain local markets. In this way it creates scope for investment which would otherwise only be possible using personal savings. The financial system serves to bridge shortfalls, for example, between crop sowing and harvesting. Or it regulates the cross-border movement of goods, through the exchange and provision of foreign currencies. All this would be unthinkable without banks. Not the banks which ply a shady trade by charging exorbitant interest rates or recklessly gambling savings deposits on risky speculations. But banks that are aware of their social responsibilities and provide reliable financial services. These are the banks that provide a sound basis for growth and prosperity.

Overregulation can slow growth

But too much legislation is also restrictive, according to GIZ expert Thérèse Anthony. An overregulated financial market with too many checks and balances can strangle growth and exclude the poor. 'It is all about striking the right balance between regulation and supervision. The financial system has to stimulate economic development on the one hand, and yet be compatible with poverty-oriented financial systems development on the other. Banks must not be allowed to distance themselves from the real economy and generate profit at any price,' says Thérèse Anthony. Establishing a healthy balance between regulation and freedom is the particular challenge currently facing central bankers and financial market experts all over the world.

But many countries fail to strike the right balance and certain financial systems leave a great deal to be desired. In some states, there is too little regulation of the financial sector, in others too much. Hallmarks of poor regulation include interest caps or arbitrary state intervention, such as channelling loans to state-owned enterprises. But in most cases, too few financial institutions are aware of their social responsibilities – and poorer sections of the population have insufficient access to financial services as a result. Over half the adult population – an estimated 2.5 billion

people – currently neither have a bank account nor access to credit under acceptable lending conditions in an emergency. This cuts them off from cashflow – and in many cases alienates them from the production cycle in general. Promotion and reform of the financial system can, however, kick-start a country's economy, because more people participate in the flow of money and goods.

That is why GIZ works on behalf of various commissioning parties in around 30 partner countries to help facilitate access to these important financial services and at

'The institutions lost money irresponsibly and in so doing brought down the US and global economy. That's why we need to focus primarily on reforming the financial system. We need more regulation.'

Joseph E. Stiglitz, winner of the 2001 Nobel Memorial Prize in Economic Sciences

the same time create stable financial markets. In Indonesia, for example, it provides advisory services to governments and central banks. In Ghana, it helps develop the microfinance sector and promote consumer protection. And it helps guard against crop failures, as is the case in the Philippines. The need for small loans for survival is often more acute among people in poor countries than in wealthy ones, but they generally have much more difficulty securing credit. Micro-loans are an excellent way of countering this problem. Small amounts are often all that is needed to transform a family's situation: a market stall, a cow or money to pay the children's school fees can prove life-changing. Although they have come in for a certain amount of criticism of late, micro-loans therefore remain 'an important development instrument' for the German Government. In a statement from 2011, it said 'microloans have a high success rate and provide access to credit, savings and insurance for people who would otherwise be excluded from financial services (...), affording them greater security and an opportunity to realise their economic potential.'

Micro-loans thus open up new horizons in a number of respects, as they have been developed further, and »

now cover a number of different areas. According to Tillmann Ehrbeck from the Consultative Group to Assist the Poor, fifteen years ago the focus was just on small loans. ‘This focus has gradually widened,’ he says. Today the emphasis is on ‘financial inclusion’, which involves opening up participation in financial markets to all sectors of the population.

Financial inclusion knowledge network

The term ‘financial inclusion’ has gained considerable political currency and even constitutes a fundamental element of international agreements. At G20 summits, for example, the world’s twenty most powerful economies have repeatedly stated that a stable financial sector must go hand-in-hand with financial inclusion and that, in the long term, one cannot function without the other. To this end, a global knowledge network called the Alliance for Finan-

cial Inclusion (AFI) was launched in 2009, with decision-makers from regulatory authorities and finance ministries from over 80 developing countries and emerging economies. Its declared objective is to improve access to formal financial services for an additional 50 million people by the end of this year. AFI intends to achieve this through mutual learning and the transfer of successful policy approaches from individual member countries. AFI supports this ‘roll-out’ process with a series of service measures, including conferences, working groups and an online platform. The network is already well accepted and its work is recognised to such a degree that it now also plays an active role in implementing the ‘G20 Financial Inclusion Agenda’. This sets down the G20’s objective for ‘universal’ access to financial services. AFI was originally a joint initiative with the Bill & Melinda Gates Foundation, in which the foundation primarily plays the role of donor and GIZ implements the initiative via a management unit in Bangkok.

EXAMPLES OF GIZ’S WORK > FINANCIAL SYSTEMS

Improved consumer protection



Project: Sino-German Cooperation in the Insurance Sector
Commissioned by: German Federal Ministry of Finance (BMF)
Term: 2011 to 2012

CHINA Demand for insurance in China is booming. The best example of this is in motor vehicle insurance, where growth is enormous in the world’s biggest automotive market. Since many customers have only limited experience with insurance, consumer protection is of key importance. On behalf of the German Federal Ministry of Finance (BMF), GIZ supports the exchange of knowledge between experts from German and Chinese authorities and companies. The focus here is on consumer protection and on the German system of third-party insurance. The objective is to draw up recommendations for reforming the Chinese insurance sector and consumer protection. The project also involves the German Insurance Association (GDV) and the German insurance industry.

Financing, sowing, harvesting

Project: Agricultural finance (Financial Systems Development Programme)
Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)
Term: 2011 to 2014

UGANDA Around one in five Ugandans is undernourished – and yet weather conditions are such that the country ought to be able to feed its population without difficulty. What is lacking more than anything is farming productivity, as well as organisation and cooperation among the farmers. Poor transport routes and a lack of storage facilities only exacerbate the situation. Micro, small and medium-sized enterprises in rural areas need financial services as does the rural population, in order to invest in training and infrastructure and to make long-distance payments. A partnership between the central bank and the programme to modernise the Ugandan Government’s agricultural economy is helping to improve conditions for finance in rural areas. Core elements here include mobile banking, harmonising support policy and promoting investment.

Africa in particular has some ground to make up when it comes to 'financial inclusion'. It has the greatest share of people with no access to the formal financial system. On average, less than one in five households has a bank account and under one third of all loans go to private borrowers. And the situation is particularly difficult in agriculture, one of the most important and promising sectors of all. Africa's agriculture sector is destined to play a part in deciding whether the growing world population will have enough to eat in future. Despite this, both small farms and large food processing companies lack finance. In other words, Africa has shortfalls on a number of different fronts: banks, loans, insurance and sometimes also knowledge about financial mechanisms. The Kenyan actor and television presenter John Sibi-Okumu, for example, puts money for family members into an envelope. 'I never transfer it to a bank account,' he said recently, 'because they haven't got one.' It is a similar story for millions of Africans.

Making Finance Work for Africa, a partnership launched in 2007, was set up to help the continent catch up with other world regions as quickly as possible. It currently has twelve donor members, including Germany, represented by GIZ on behalf of BMZ. In addition to providing a general platform for exchanging information on the best strategies for maximising inclusivity in the financial market, the partnership has already produced tangible results. It was recently agreed, for example, to set up a Community of African Banking Supervisors to help further develop the supervision of banking activities in Africa. Under the auspices of Making Finance Work for Africa, GIZ has also collaborated with the Deutsche Welle Akademie on a programme to train journalists to report clearly and competently on complex financial issues. Here too, the same principle applies: one thing is useless without the other. Even the best financial market is worthless if its customers lack the knowledge to use it. But when markets are still »

Properly insured despite low incomes



Project: Access to Insurance Initiative

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

Term: 2010 to 2013

GLOBAL The Access to Insurance Initiative sets out to improve access to high-quality insurance for people on low incomes. The focus here is on capacity development for insurance supervisors and the creation of appropriate policy and supervision guidelines. The initiative was launched in 2009 by BMZ and a number of international donor organisations (International Labour Organization, Consultative Group to Assist the Poor, United Nations Capital Development Fund, FinMark Trust). A core partner is the International Association of Insurance Supervisors (IAIS), which has been recognised as a pioneer in the field of financial inclusion. On behalf of BMZ, GIZ oversees the initiative's secretariat

through the sector project Financial Systems Approaches to Insurance – Access to Insurance Initiative. To meet the constant demand for diagnostic studies, dialogue events and advisory services, the initiative exploits synergies between global, regional and national projects assisted by German development cooperation and other development partners. In Africa, for example, the initiative works closely with the BMZ-financed programme Making Finance Work for Africa. Knowledge and learning experiences are exchanged through highly effective and broad-based South-South dialogues, which also involve the private sector. The IAIS provides GIZ with direct access to insurance supervisory authorities in over 190 countries. In Asia, projects financed by BMZ and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) are implemented with support from the Asian Development Bank. Projects in Latin America are co-financed by the Inter-American Development Bank.

👉 www.access-to-insurance.org



Investments in renewable energies are an important part of green finance. Here in Inner Mongolia, for example, China channels funding into wind energy.

GREEN FINANCE

The term 'green finance' covers a range of policy and financial strategies and instruments that help ensure the financial sector plays its part in the switchover of national economies and societies to low-carbon and resource-efficient production methods and adaptation to climate change.



Agriculture: food production for the growing global population is often harmful to the climate. New agricultural methods can help mitigate climate change, provided the required funding is made available.



Innovation: finance is needed for eco-friendly products, such as the solar bike developed by Ayubkhan Pathan (front) in Mumbai.

emerging – as is the case in most developing countries – it is particularly important to provide reliable information about savings rates, loans and insurance.

For this very reason, certain countries – including some in Africa – have started to make potential customers more aware of their rights. Take Ghana in West Africa, for example, which is actually one of the up-and-coming nations on the continent. Having already implemented several democratic changes of government, Ghana has made such great progress overall that it will probably achieve all Millennium Development Goals by 2015. Despite this, no more than 20% of Ghanaians use the formal financial market. ‘Far too few,’ says Torsten Schlink, GIZ Programme Manager for Sustainable Economic Development, based in Accra. The country is in the throes of switching from a culture dominated by agriculture to a service society with a rapidly-reducing family size. Although this change is desirable, it means many Ghanaians will have to start putting aside money for their old age at a much earlier stage. But how can they do that without an account that pays credit interest, and without the necessary knowledge?

Knowledge is money

In response to this situation, the government launched a number of initiatives a few years ago, and passed a national strategy for basic financial education. The focus here was on informing and educating consumers, without whom all hope of transformation to a modern society was impossible. ‘If they are to achieve prosperity and financial security, people must be in a position to make knowledgeable decisions about their savings and investments,’ explained Alhaji Aliu Mahama, the country’s vice president at the time. To this end, the then government undertook a series of measures with German support. These included a week-long awareness-raising campaign entitled ‘Knowledge is Money’, radio advertisements, roadshows in more remote areas and the distribution of information material. The measures were a runaway success: the number of bank customers increased whenever the roadshow was in town. The next step is to make financial education part of the curriculum for all schools nationwide. This approach is also supported by GIZ on behalf of BMZ. If it succeeds, Ghana will become one of the first countries in the world to make financial awareness a compulsory part of education. ‘Ghana is a pioneer in this field,’ says Torsten Schlink of the government’s initiative.

In addition to the direct and more obvious benefits, stable financial markets also have an indirect impact. Care-

fully positioned financial products can generate incentives for changes that would otherwise perhaps not occur by themselves. In other words, they act as ‘levers for development’. This is evident for example in the German ‘Energiewende’ – the renewable energy revolution – where low-interest loans are available to those who insulate their

‘Building and maintaining financial stability has emerged as a new challenge for central banks – where traditionally the focus has been on price stability.’

Stephen P. Groff, Vice President, Asian Development Bank

homes so that energy consumption is more energy-efficient and cost-efficient. There are similar mechanisms in international cooperation, for example in Tajikistan, India or Mexico, where GIZ works on behalf of various commissioning parties to develop national efficiency standards for new buildings and to link these with credit lines provided by KfW Bankengruppe. Here, the financial market takes on the role of ‘change agent’ to a certain extent, because it finances environmental measures which, even if socially desirable, would otherwise be relatively unattractive to investors. The term used here is ‘green finance’, which is particularly helpful in an era where climate change calls for a great deal of adaptation – not least in the construction sector.

Financial products for the agricultural sector

Indirect and wholly desirable results can also be achieved through agricultural insurance plans. For some time now, these have been seen as a way of strengthening rural areas and thereby boosting food production, especially as many countries, and those in poorer regions in particular, generate over half their national income from agriculture. But such insurance schemes only became a focus of general interest in the aftermath of the 2008 food crisis and as a result of the ever more tangible consequences of climate change. Various models exist. In most cases they come into play when harvests fail on account of drought or flood- »

ing as they help farmers to bridge periods of low economic activity. In general, the policies are taken out when a farmer takes out a loan to purchase a new appliance, seed or fertiliser. The banks regard the policies as additional security, and often make it possible for them to grant the loans in the first place. Nevertheless, these products are generally very expensive, since the insurance companies are taking on risks that are difficult to assess. Losses have to be assessed on a case-by-case basis, which is a time-consuming process.

‘There is no silver bullet to resolving the potent combination of rising and volatile food prices, but food security is now a global security issue.’

Robert Zoellick, former President of the World Bank

Often those who need such insurance most urgently are those least able to afford it.

For this reason, agricultural insurance companies need state support like that received by the RIICE programme (see interview on page 16). This programme is probably one of the most innovative approaches of its kind around at present, because it intelligently combines modern technology with insurance products. RIICE stands for ‘remote sensing-based information and insurance for crops in emerging economies’ and uses satellite technology to gather data which enables experts to estimate crop yields with great accuracy. The European Space Agency, which is responsible for collecting and processing the data, uses radar systems that operate day and night and can even see through clouds. In this way the extent of compensation in the event of losses can be calculated relatively easily – or at least more easily than by the conventional method, which required assessors to carry out time-consuming sample checks on site. RIICE therefore reduces the workload, improves error rates and cuts costs. It was created from a development partnership between GIZ working on behalf of BMZ, Allianz Re, the Swiss remote sensing firm sarmap, the International Rice Research Institute and the Swiss Agency for Development and Cooperation (SDC). Initially the insurance covers just rice, but more crops are in the

pipeline. The policies will be offered on a pilot basis in Bangladesh, Cambodia, India, Indonesia, Thailand, Viet Nam and the Philippines, and will safeguard the livelihoods of over five million small farmers and their families should crops fail. This creates security and may also encourage farmers to cultivate larger areas or make additional investments in new tools and machinery. Part of the insurance is usually paid for by the state, although the amount may vary. It is in the state’s interest to ensure that farmers are able to continue farming or even expand their production, since food security is a precious commodity given that the world’s population is growing. The data provided by RIICE can also be used by governments to shape agricultural policy, as experts are better informed about how much rice is being cultivated and where extreme weather is more likely. ‘Insurance schemes like these help states to feed people,’ explains Michael Roth, Senior Advisor on Financial Systems Development at GIZ, ‘which means that they could almost be considered a public good.’

A ‘service’ function

The wide range of individual measures implemented in this field includes programmes such as RIICE, advisory services to central banks, the development of standards for microbanks and training for journalists. Collectively these measures have a single overriding objective: to create stable financial markets and efficient financial systems that provide people with a reliable basis for participating in the economy. To increase the chances of this objective being achieved in many more countries, policy-makers need to ensure that financial markets fulfil their ‘service’ function. ■

FINANCIAL SYSTEMS IN FIGURES

In
1024

the Chinese began issuing the world's first paper money. With the growth of trade relations and the resulting wider circulation of money, it replaced coins, which were heavy.

BERLINER VOLKSBANK

There were over
3,650

registered microcredit providers at the end of 2010, around 2,500 more than ten years previously. Together they had around 205 million customers.

STATE OF THE MICROCREDIT SUMMIT
CAMPAIGN REPORT 2012

There are currently

160

currencies worldwide. The most recent of these is the South Sudanese pound. It was introduced in 2011 following the south's split from the north and its declaration of independence on 9 July 2011.

INTERNATIONAL
MONETARY FUND, 2011

US\$
110

billion is the sum paid out by the Chinese Development Bank and Chinese Export-Import Bank for loans to governments and companies in developing countries in 2009 and 2010. That is more than the loan capital available to the World Bank, which awarded loans totalling US\$100.3 billion between 2008 and 2010.

FINANCIAL TIMES

The volume of non-cash transactions once again rose significantly in developing countries and emerging economies in 2009.

In Central Asia, the Middle East and Africa the volume increased by 22%, in Latin America (not including Brazil) by 15.4% and in the rest of Asia by 11.1%. In the BRIC countries (Brazil, Russia, India and China), the volume of non-cash transactions increased by 8.6% in 2009.

WORLD PAYMENTS REPORT 2011



» Face-to-face BETWEEN BUSINESS AND POLITICS

Tanja Gönner took over as Chair of the GIZ Management Board in July 2012. In this interview for *akzente* she explains how the company can – and must – use its expertise in addressing future challenges to win new clients and partners.

Interview Jörg Hilger and Roland Großmann

Ms Gönner, you swapped politics for a role leading a service enterprise for international sustainable development. What attracted you to this position?

The variety of topics facing us in the years ahead and the opportunity to play a part in shaping a newly restructured organisation. Above all, I like the fact that the company is so closely involved in implementation and not just in theoretical discussion. And of course I love GIZ's international nature.

How are you approaching your new role, what experience are you able to bring to it from your previous career?

Number one service provider in international cooperation for sustainable development

As a lawyer and politician, I'm used to taking a results-oriented approach and to thinking things through to the end. It's an approach I'm sure will serve me well at GIZ. From the world of politics I bring with me a good, strong network. Having served as a minister for several years, I also have proven and extensive management experience, in addition to a wide range of experience on issues that are very relevant to international cooperation.

What makes GIZ different to other companies?

We are a company that operates at the interface between business and politics; we provide advisory services in the form of technical expertise rather than getting involved in political decision-making. The political steering is done by our main commissioning party, BMZ, and the German Government. Our advisory and implementation services are undertaken autonomously. We do this not as a downstream agency, but as an enterprise.

Where do you believe the opportunities and challenges lie for GIZ in the years ahead?

The next fifteen to twenty years will bring new challenges in areas that we have already been con-

fronted with for a while – areas such as water, human rights, energy, sustainability and of course climate change, to single out just a few. I was present in Copenhagen in 2009 for the climate change negotiations and saw the many hopes that came crashing down in that moment. At the international level, GIZ still faces many enormous challenges – and not least because we will be dealing with new partners. The number of emerging economies is constantly growing, as is their self-confidence. They are ready to take responsibility and above all are saying to industrialised nations: 'We want to be seen as equals.' Hand in hand with this goes the question of whether the GIZ business model can rely solely

GIZ has an outstanding reputation abroad, but there is still scope to raise awareness at home. That's why we are asking the question: 'What can we do in Germany?' We're extremely well equipped in terms of the availability of experts, our awareness of intercultural issues and of the legal certainty of reforms and change. We also have a great deal of expertise in addressing future challenges as renewable energies, climate change mitigation and biodiversity. In Germany, for example, we're currently engaged in a discussion process on the 'Energiewende' – the renewable energy revolution. GIZ has extensive expertise in facilitating dialogue. I think we would certainly be in a position to steer and structure some of these discussions. With our international contacts and experience we are in a position to make the German 'Energiewende' exportable and to identify international options for the world of science and industry. We can also promote international cooperation activities by the German states. ■

> CAREER

Tanja Gönner was appointed Chair of the GIZ Management Board in July 2012.

Born in 1969 in Sigmaringen, Baden-Württemberg, she trained as a legal auxiliary (executive grade) in the judicial service before studying law. Gönner served as a partner in a law firm until 2004.

She has been a member of the CDU since 1987, among other things serving on the federal executive board and the policy committee. From 2002 until 2004 she was a member of the German Bundestag. In 2004 Tanja Gönner became Minister of Social Affairs of the state of Baden-Württemberg. In 2005 she took over at the helm of the Environment Ministry, where she remained until the beginning of 2010. From February 2010 until May 2011, Gönner was Minister for the Environment, Nature Protection and Transport of the state of Baden-Württemberg and from 2011 to 2012 she was a member of the state parliament of Baden-Württemberg.

on official development assistance – in other words, on development funding provided by individual states – or whether as a service provider we should perhaps be opening ourselves up increasingly to international competition. If we aim to be the world's number one service provider for sustainable development, we have to be active not only in emerging economies and developing countries but also increasingly in industrialised countries, and we must consider stepping up cooperation with the private sector.

How do you intend to integrate the private sector more fully in your activities?

There are many German small and medium-sized enterprises that offer interesting products and valuable expertise but that lack the confidence to launch their products and services on the global market. That's where we, with our knowledge of different regions and mentalities and our intercultural know-how, can provide the right partners and help build networks.

GIZ aims to play an active role in the German sustainability market. How do you see that working?

I THROUGH THE LENS



THE POWER TO ILLUMINATE

AROUND 1.8 MILLION NICARAGUANS are not connected to the electricity grid. Electrical energy is often self-generated – using diesel engines, which are not very energy efficient. But all this is set to change, with the assistance of the Dutch–German–Norwegian energy partnership Energising Development. The partnership is building micro–hydroelectric power stations and power supply lines in 34 districts of Nicaragua and promoting the installation of rooftop solar power systems. GIZ is providing advisory services to the Nicaraguan Government on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Photographer: Wolfgang Diederich/meerfoto.de





Theory and practice: the training centre offers young men and women the opportunity to practise precision tasks, such as those required for a career as an electrician.

DREAM JOB – ELECTRICIAN

After more than 25 years of civil war in Sri Lanka, the north and east of the country are seeing the development of hotel complexes and new roads. Training in occupations in the construction sector is helping young people from the former war zones to find a job.

Text Agnes Tandler **Photos** Hamish John Appleby

Geamathi proudly grips her yellow construction worker's helmet. The 23-year-old is training to become an electrician. It is an unusual choice of profession in the southern Asian island state of Sri Lanka. The electrical trade is traditionally a male domain. Even in Germany only 12% of electricians are women. But at the training centre in the small village of Miravodai where Geamathi studies, women outnumber men. The centre currently provides training in a skilled trade for 21 boys and 34 girls, all keen to qualify as electricians, plumbers, stonemasons, joiners or carpenters.

Scars of civil war still visible

Miravodai is a small settlement with around 1,100 inhabitants 30 kilometres north-east of Batticaloa. The eastern part of Sri Lanka is one of the poorest regions on the tropical island in the Indian Ocean. The scars of the civil war between the Tamil separatist movement, the Liberation Tigers of Tamil Eelam, and the government are still clearly visible. But reconstruction is underway. New and freshly asphalted roads now criss-cross a region that was once fought over for years. Ambitious hotel projects have been launched to entice foreign tourists back to the white sandy beaches of Kalkudah and Pasikudah, although off the beaten track yellow signs still warn of landmines buried in the soil. »

> SRI LANKA



> VITAL STATISTICS

Capital: Colombo
Population: 21.5 million
Economic growth 2011*: 8%
GDP per capita 2011*: US\$5,600
Youth unemployment: 21.3%
Human Development Index ranking: 97 (out of 187)

*forecast, Sources: CIA – The World Factbook, Human Development Index 2011

Building peace

The decades of armed conflict in Sri Lanka came to an end in May 2009. The focus of German development cooperation is on sustainable peacebuilding and promoting social cohesion. GIZ is currently implementing seven projects on behalf of the German Government, helping to alleviate the causes of conflict and finding peaceful solutions to disputes in order to promote development in the country. The German Federal Ministry for Economic Cooperation and Development currently finances projects and programmes in primary education and vocational training, social integration, administration, micro-finance/private sector promotion, and emergency and transitional aid. The German Federal Foreign Office also finances vocational training in the construction sector. There are currently 14 seconded experts and 120 national personnel working in Sri Lanka on behalf of GIZ.



Effective learning is easier with appropriate special equipment. Everything is on hand at the training centre in Miravodai.

Finding work is not easy. Like many young people, Geamathi had no school or professional qualifications. She and her family were forced to flee their village during the civil war. For over eight years, Geamathi lived with relatives in another part of Sri Lanka. Schooling or vocational training were out of the question. But now the young woman is hoping to make up for the education she missed out on.

The training has been made possible through 'Promoting peace through vocational training for young people in the East of Sri Lanka', a project assisted by GIZ on behalf of the German Federal Foreign Office since August 2010. Its goal is to enable between 800 and 1,000 young men and women to achieve a nationally and internationally recognised qualification in the construction industry by the end of 2012. Although Ger-

many has been promoting vocational training in Sri Lanka since the 1950s, the end of the civil war has brought new challenges and new opportunities, according to Wilfried Liehr, GIZ Country Director in Sri Lanka. 'We were surprised that so many girls and women registered.'

Tough exam but good prospects

Geamathi has already completed one and a half months of her basic training. Now she can look forward to four months of practical vocational training on a building site. In six months Geamathi hopes she will have completed the whole programme. But she faces a tough examination at the end of it. 'Participants are not handed a qualification on a plate,' says Jürgen Depta, the GIZ Project Manager for the

commission in Colombo. Those who pass the examination have good prospects on the labour market. Around 70% of course graduates have already found employment. This is a considerable success for these young people from modest family backgrounds, most of whom are Tamils who grew up in the war zone.

The morning task for the trainees in Miravodai is to repair the damaged community centre and fit a new roof. Bullet holes are still visible in the outside walls. The area around Batticaloa was once a stronghold for the rebels. For years, this is where the front line between government forces and the Tamil Tigers was drawn. Families were torn apart, driven away and forced to flee. Most young people here lost parents or siblings in the war. Now the challenge is to heal the wounds and start afresh.



Years of warfare have changed the role of women – in Sri Lanka, for example, they also work in road construction.

Geamathi lives alone with her mother in the village. ‘There is no one here to support us,’ she says. Her father and one of her brothers were killed in the war. A second brother has found work in far-away Qatar, Geamathi’s husband works as a gardener in Kuwait. Until now, she and her mother have survived on what their small vegetable garden produces. During her training to become an electrician she receives a small wage. ‘Things will be easier when I’ve finished the course,’ Geamathi says. She would like to become a self-employed electrician, which is still practically unheard of in Sri Lanka.

Although there are plenty of women employed in road construction in Sri Lanka, most are day labourers consigned to paving or hauling stones. The skilled work is almost always done by men. But the long civil war

has reorganised social structures, and also changed the role of women. Construction firms are still hesitant to take on girls and women. Male workers are provided with accommodation by the company, which moves them about from one site to another. ‘They don’t want to take responsibility for girls,’ says GIZ staff member Sarath Amarasuriya. That’s why during the period of practical training, secure accommodation was rented for the women close to each construction site.

In Vantharumoolai, around 15 kilometres from Miravodai, trainer Chehan is satisfied with his students – and yet his optimism for their prospects remains limited. ‘It will be difficult for the girls. They cannot leave their homes to travel from site to site like the boys,’ explains the 35-year-old. Sathiya, who is training to become a plumber, hopes to find

work in a workshop or a store in her area. At some point the 17-year-old would like to study and become an engineer. Life is easier for the young men: straight after his seven-month training as a carpenter, 21-year-old Sangar found a job in Jaffna, in the far north of the country. He now earns 1,500 Sri Lankan rupees a day (about €9) – a good wage in Sri Lanka. Sangar is single. But a woman who works on a construction site would not interest him, he says. He then reflects for a moment and adds diplomatically that his mind is not yet made up. ■

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MEDIATING BETWEEN TWO WORLDS

Many highly qualified foreign students return to their home country after completing their training in Germany. For budding entrepreneurs like Indonesian engineer Aloysius Bambang Prayitno the opportunities there are often very attractive.

Text Rosie Füglein **Photos** Rony Zakaria



The rain beats down heavily on the roof, drowning out the conversation in which Aloysius Bambang Prayitno has been deeply engaged for the last half hour with a student, a humanoid robot and a mobile telephone. Two techno freaks, a robot and a telephone in a world of their own, lulled by the summer rains of Indonesia. We are on the island of Java, at the Satya Wacana Christian University in Salatiga to be precise. Prayitno has come here today to find out about the latest research results at the Electronics and Computer Engineering Faculty. The 32-year-



old Indonesian is a graduate of information technology with a special focus on robotics who studied at the Technical University in Berlin.

Now settled back in his home land, Prayitno is a popular figure at the Indonesian university. 'Prayitno liaises between two very different worlds,' says head of faculty Daniel Santoso. Here, unlike in Germany, any systematic transfer of knowledge between research and the private sector has been the exception rather than the rule. Since his return to Indonesia two years ago, Prayitno has brought together a wealth of people and ideas. He has been helping to develop the transfer of innovation and technology at the regional level, along German lines. In particular, his aim is to see small and medium-sized enterprises in Indonesia accrue greater benefits from technical innovations.

Prayitno is well aware of the problems and challenges facing such enterprises. While studying, he worked part-time as a systems developer at a start-up company in Berlin supplying computer-controlled solutions in the field of orthodontics. After graduating, he went full-time and now even owns shares in the Berlin company, which today boasts 30 employees and has just established a subsidiary in the United States.

German boss reluctant to let him go

The Indonesian still remembers clearly his last few months in Berlin: 'It took three months to persuade my boss to let me go,' he says. And even then he didn't write Prayitno off completely. Every so often he tries to persuade him to return to Germany or lure him to the United States. So far, without success. That is not to say the Indonesian does not appreciate the country in which he lived and worked for 12 years: 'In Germany you can tell

your boss to his face that he is wrong. You can get about town on foot or go to work on a bicycle. That's not possible in Indonesia.'

And yet he returned home, for inside him a latent entrepreneurial spirit was bursting to get out. And countries like Indonesia offer greater opportunities for budding entrepreneurs than Germany, where gaps in the market are rare, competition is fierce and anything but perfect German is still seen as a handicap. But the Indonesian also returned home for personal reasons. 'Now I want to be there for my mother, who lives alone.'

A job guaranteed before his return

But for the moment Prayitno is still an employee in Indonesia – he works for the provincial government of Central Java in Semarang. He found the job before returning to Indonesia through the Centre for International Migration and Development (CIM). Franz Gelbke knows exactly why Prayitno is the best man for this job. The 61-year-old is a former chief executive of a regional technology transfer facility and has been working at the Indonesian State Ministry of Research and Technology since 2006 – a post also arranged through CIM. 'Prayitno has a broad understanding of technology and with his professional experience he knows what makes companies tick.' Prayitno is able to implement at the local level what Gelbke and his Indonesian colleagues come up with at the Ministry in the capital Jakarta. The German development expert sees Prayitno's return to Indonesia as a plus for his native country, with which Germany has been pursuing a programme of joint research since 1979. 'Successful research cooperation between two very different countries calls for like-minded people,' explains Gelbke. Prayitno's major selling points, in addition to his specialist training, are his »

◀ Aloysius Bambang Prayitno applies the knowledge and experience he acquired in Germany in Indonesia.



From research to practice: ❶ Aloysius Bambang Prayitno (centre) and head of faculty Daniel Santoso (left) assess progress of a joint project at the Satya Wacana Christian University in Salatiga. ❷ The faculty currently has 300 students and is one of Indonesia's leading teaching institutions for engineering science. ❸ Prayitno meets regularly with university staff to ensure the Institute's latest technical findings and developments find practical applications in Indonesian companies.

fluency in a foreign language and familiarity with both cultures. By the same token, Prayitno also values working closely with Gelbke: 'We're both engineers, so we're on the same wavelength. We also share the same German approach to work – purposeful and goal-oriented.'

Home developed rather than imported

Back at the university in Salatiga, the discussion turns to a GPS-based ticketing system for a bus company, dreamed up over the last few months by students at the university in collaboration with Prayitno and the bus company. The system is currently being tested. Three of the students involved in the project explain how important it is for the hardware and software for such projects to be developed in Indonesia, instead of importing from China solutions that may not meet local requirements, or purchasing them in Germany or the US, which would be too expensive. It is a case of

helping people to help themselves. The right people with the right know-how at the right time and place. 'Unfortunately this DIY approach is not very widespread in Indonesia,' says Prayitno, 'because it first calls for investment – and that is not the done thing here.' So he is not surprised that the owner of the bus company is also an Indonesian who studied in Germany and returned home a few years ago. A ship owner, with whom Prayitno has recently conducted negotiations, also has a similar background. Franz Gelbke put the two in contact with one another. The entrepreneur plans to use GPS technology to establish the position of his fleet of 30 container ships faster and more accurately. That way he can not only calculate the precise arrival time of transported goods at their destination, but also influence the speed of each ship in line with capacity at the destination port. In times of rising fuel prices, this also helps reduce costs. These GPS-based tracking solutions are just two examples of the growing demand for high-tech solutions in Indonesia. They are

what inspired Prayitno to set up his own company. During his time in Berlin, he developed an interest in the generation of online maps using open source-based software. On his return to Indonesia, he immediately set about mapping the island of Java – an idea that is now beginning to pay dividends. For he is now able to integrate into his tracking solutions the online maps he generates using the OpenStreetMap wiki and publishes free of charge on the Internet.

After 12 years in Germany and two years as an employee in Indonesia, Prayitno now feels quite at home again. But soon he will be his own boss and he is focusing his efforts on starting up his own business. 'My most valuable start-up capital are the contacts and market knowledge I have built up through my work over the past two years.' ■

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CENTRE FOR INTERNATIONAL MIGRATION AND DEVELOPMENT (CIM)

The Centre for International Migration and Development (CIM) is the human resources placement organisation for international cooperation. It implements innovative programmes in the fields of migration and diaspora. Run jointly by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the German Federal Employment Agency (BA), CIM combines development expertise with knowledge of the labour market.

CIM supports returning experts like Aloysius Bambang Prayitno, who have studied or are currently working in Germany and would like to return to their country of origin, by providing assistance with job placement, services and subsidies to top up their local salaries.

CIM places **integrated experts** like Franz Gelbke from Germany to institutions and companies in developing countries and emerg-

ing economies if suitable staff for key positions cannot be found on the local labour market. CIM tops up the local salaries of integrated experts, in line with usual market conditions.

In providing these two services, CIM facilitates the **transfer of know-how in developing, transition and emerging countries**. Cooperation between Prayitno and Gelbke shows how deploying returning and integrated experts in tandem can accelerate local development processes in the long term. It also demonstrates how cooperation between various ministries can reap rewards. Prayitno's deployment is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ), whereas Gelbke is funded by the German Federal Ministry of Education and Research (BMBF).



TRAINING TO THE POWER OF TWO

Lebanon is introducing a dual system of vocational education and training. The reform is designed to benefit both trainees and the country's small and medium-sized enterprises. The Technical Institute in Saida is one of 27 vocational schools already offering the cooperative training approach. The German Government is supporting the project; in so doing it is signalling its hopes for peaceful economic development in the crisis-hit region.

Photos Houssam Mchajemch



A MAN WITH A MISSION: Bassam Chehade (middle) explains to his students at the Technical Institute in Saida how state-of-the-art software can be used to detect defects. The 51-year-old skilled motor mechanic is a convert to the dual system of vocational training, having come to appreciate at first hand the system's benefits as a trainee and apprentice master craftsman at BMW in Germany. Since his return to Lebanon, Chehade has also adopted the combined theoretical and practical approach in his own car workshop. Committed entrepreneurs and trainers like him play a vital part in embedding the dual system in Lebanon. »



TEACHER AND MENTOR: Bassam Chehade provides training at his motor vehicle workshop. His enterprise is one of 650 in Lebanon offering dual-system apprenticeships.

LEARNING BY DOING: training involves a large practical element. All students and apprentice master craftsmen at the Technical Institute work at enterprises in Saida and the surrounding area. Around 1,680 young people completed a dual training course during the 2010/2011 academic year.

> **LEBANON**



> **VITAL STATISTICS**

- Capital:** Beirut
- Population:** 4.1 million
- Percentage aged 13 or under:** 23%
- Spending on education:** 1.8% of GDP
- Youth unemployment:** 22.1%
- Human Development Index ranking:** 71 (out of 187)

Sources: CIA - The World Factbook, Human Development Index 2011

Experts for SMEs

Project: Promoting technical and vocational education and training (TVET) and SME development in Lebanon

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

Lead executing agency: Ministry for Education and Higher Education (MEHE); Federation of the Chambers of Commerce, Industry and Agriculture

Overall term: 2007 to 2014

Small and medium-sized enterprises (SMEs) make up 95% of Lebanese industry and are the number one source of employment. There is great demand for well-qualified experts and middle management. Public and private institutions in Lebanon are keen to push cooperative vocational education. On behalf of BMZ, GIZ experts provide advisory services to the Ministry for Education and Higher Education (MEHE) and the Federation of the Chambers of Commerce and bring private and public partners together. The dual system is being introduced for eight professions across industry, the skilled trades and tourism services. The project also provides training for master craftsmen and teaching staff.

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WELL-EQUIPPED, IMPROVED PROSPECTS: the vocational training facility has state-of-the-art equipment. Up-to-date training improves the prospects for graduates: upon completion two thirds find employment or carry out further training.



NO PROGRESS WITHOUT THEORY: students acquire the sound technical knowledge required by their individual trades during the theoretical part of their training.



ACCESSIBLE FOR ALL: the eight dual training courses offered by the Technical Institute are open to men and women. However, the proportion of female trainees is lower for the technical professions.



PRACTICE MAKES PERFECT: Mohammad Khalifa (left) and Mohammad El Sayed, pictured here at a milling machine, are training to become industrial machinists. During their first year of training they gain experience of what awaits them in their chosen profession.

CLIMATE CHANGE MITIGATION MADE IN GERMANY

In 2011 the German Federal Government launched the German Climate Technology Initiative, a new instrument that allows Germany to engage in international climate protection. What is behind the initiative?

Text Gabriele Rzepka

Illustrations Vera von Laufenberg



Biogas and wastewater treatment plants are not normally among the must-see attractions for visitors to Germany. But for members of a Brazilian tour group, top of the list of things to visit were municipal supply and waste disposal companies. As part of a study tour organised by GIZ, experts from state-owned Brazilian water and energy supply companies toured various utilities to find out detailed information about the technologies used and their application. One of the key questions was whether they could also be used to good effect in Brazil – and if so, under what circumstances?

Pooling finance and technology

The visit was made possible by the German Climate Technology Initiative (DKTI), launched by the German Federal Government in 2011. The initiative, which comes under the auspices of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), represents a significant element in German efforts to mitigate international climate change. Its primary role is to help emerging economies and developing countries reduce their emissions of greenhouse gases by mobilising the economic potential of climate technologies in these countries. In so doing, the DKTI places an increasing emphasis on technologies in which the German private sector is able to offer highly innovative and climate-friendly products and solutions to support partner countries. To this end, it specifically pools the expertise of leading German companies in the climate and environmental protection technology sector as well as the know-how of GIZ and KfW in the field of international cooperation. Only with the right combination of cutting-edge technology, finance and advice on appropriate political frameworks is it possible to establish climate change mitigation in partner countries in the long term. In concrete terms, this means that when the KfW sets up broad-based credit lines for energy efficiency measures in buildings in cooperation with local banks or hands out subsidies and low-interest investment loans, GIZ

supports these investments by developing technical and institutional know-how and providing advisory services, for example by setting up competence centres for solar or wind power. It also advises politicians and entrepreneurs on developing value chains for a new technology. This also benefits other supplier industries, such as those who sell replacement parts, service providers that supply experts to develop and maintain the facilities, or civil engineering firms that provide measurement data and analyses prior to a construction project. This holistic approach is designed to tap into the potential of successful and competitive German companies in the growth markets of environmental and climate technologies, with the aim of supporting the development of 'green' economic sectors in the initiative's partner countries that are geared to advanced climate technology and dynamic growth.



DKTI projects are handled by GIZ and KfW structures in the partner countries. On behalf of the BMU and German Federal Ministry for Economic Cooperation and Development, GIZ and KfW have also jointly established the DKTI secretariat, based in Frankfurt am Main, which coordinates all support measures. The initiative is financed through the Energy and Climate Fund set up in 2010, which is fed by revenues from the auction of German CO₂ certificates as part of the European emissions trading scheme.

A brief look at the first-year balance sheet shows that the technology initiative concept is already bearing fruit: six projects with funding worth a total of €597 million were approved for five partner countries in 2011. The projects will be planned in collaboration with partners in 2012, prior to implementation from 2013.

The spectrum of projects ranges from solar-thermal power generation in Brazil to the dissemination of climate-friendly technologies in Russia, biomass in Serbia, energy-efficient buildings in Turkey and support for the Solar Plan in Morocco. But this is only the tip of the iceberg: new projects in other partner countries will be agreed in 2012. ■

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Electricity from biogas

Climate-friendly electricity generated by biogas and wastewater treatment plants will help Brazil meet its growing demand for energy. KfW provides low-interest loans for the development and expansion of energy-efficient and ecologically sound facilities. In tandem, GIZ supports partner institutions from the private sector, science and the public sector in adapting technology to conditions in Brazil. GIZ advises the authorities on creating the necessary framework for the use of biogas. In addition, it monitors the development of research and corporate partnerships. Partners feed the results of these activities into a biogas network which is accessible to any Brazilian company interested in signing up to the technology.



> FILM ROADSHOW AT 25 GERMAN CINEMAS

Call me Kuchu

The film *Call me Kuchu* garnered four awards at the 2012 Berlinale, including the 'Cinema fairbindet' award. The documentary will be shown in 25 German cities starting in Bonn on 18 September and running until December. Directed by Malika Zouhali-Worrall and Katherine Fairfax Wright, *Call me Kuchu* depicts the life and struggle of gay and lesbian activists in Uganda. The 'kuchus', as they are known, are waging a campaign for equal rights. The anti-homosexuality legislation, which elected parliamentarians are attempting to push through with the support of religious groups in Uganda, provides for imprisonment and even the death penalty in 'serious cases'. The first openly gay activist in Uganda, David Kato, whose life the film documents, was murdered during the making of the film in January 2011. The event was to change the course of filming dramatically.

'Cinema fairbindet' is a development policy prize awarded by the German Federal Ministry for Economic Cooperation and Development (BMZ) in cooperation with the Berlinale. It was awarded for the second time in 2012. The €5,000 award recognises films which connect people across national and linguistic boundaries and showcase new ideas and perspectives. An integral part of the award, the tour of German cities is intended to create a nationwide audience for the winning film. In partnership with Arsenal – Institute for Film and Video Art e.V., GIZ provides PR support for the cinema screenings.

Film trailer and international tour dates:

👉 <http://callmekuchu.com>



> RECOMMENDED VIEWING

'My name is future'

This animated film won the Silver Victoria award in the student category at the Internationale Wirtschaftsfilmfestspiele in Vienna. It was made for a competition run by the Film Academy Baden-Württemberg, organised by GIZ's Agency for market-oriented concepts (AgenZ) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The objective was to produce a creative and future-oriented image of development policy. Running for about two minutes, *Mein Name ist Zukunft* shows how closely the histories of people in Germany are linked with those in developing countries.

Available for viewing at:

👉 www.agenz.de/eng/building-the-future.html

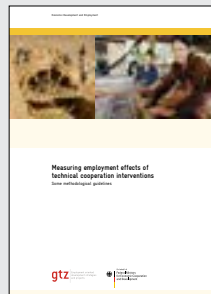
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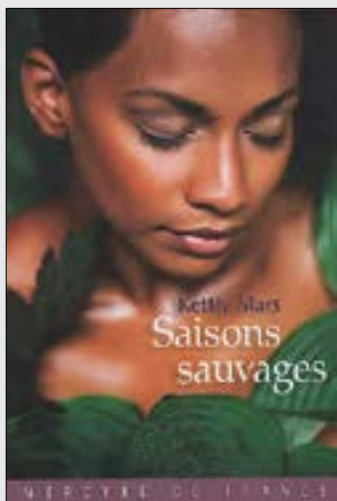
Company Report 2011

GIZ's 2011 Company Report not only provides facts and figures for the year 2011, it also reports on the company's strategic thinking and its daily activities around the world. The publication is available in German and English. Abridged versions will be published shortly in German, English, French and Spanish.



Measuring the employment effects of technical cooperation interventions. Available in English and German. Prof. Jochen Kluge with Hanka Bolde-mann and Dr Eva Weidnitzer.

In virtually every field of politics over recent years we have observed how political measures are increasingly analysed in terms of their effectiveness. These guidelines are aimed at practitioners and focus on the representation of methods that are easy to implement, inexpensive and provide robust empirical results.



> RECOMMENDED READING *

Saisons sauvages

[Haiti]

Kettly Mars

French.

Gallimard, 336 pages,
ISBN: 978-2070443406

Soon to be published in English as 'Savage seasons' by University of Nebraska Press

Haiti, 1962. In order to protect her family, a beautiful mulatto girl falls into a web of conflicting demands during the terror of the Duvalier regime. The novel is a merciless dissection of moral corruption, the will to survive and cooperation, self-deceit and hope – all set against a background of racism, sexism, totalitarianism and realpolitik. Refined literary writing, a psycho-political thriller.

Thomas Wörtche, literary critic and crime novel expert



> RECOMMENDED READING *

The Paradise Bird Tattoo

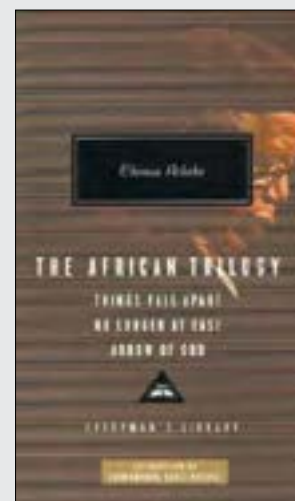
[Japan]

Choukitsu Kurumatani

Translated from Japanese by Kenneth J. Bryson. Counterpoint, 201 pages, ISBN: 978-1582437040

A previously unseen side of Japan. A businessman one day decides he can no longer continue working himself to the point of exhaustion – and sinks into a life of oblivion. He is made homeless, finds a job skewering meat at a down-at-heel foodstall, and falls into bad company with tattoo artists and prostitutes. Dark and compelling, the novel is a literary exploration of private depression and social scandal.

Karl-Markus Gauß, freelance writer, literary critic and publisher



> RECOMMENDED READING *

Things Fall Apart

[Nigeria]

Chinua Achebe

English. Reprinted in the The African Trilogy: Things Fall Apart, No Longer at Ease, Arrow of God (Everyman Library). Random House UK, 513 pages, ISBN: 978-1841593272

A magnificent panorama depicting a lost culture, this novel documents the archaic life of a village deep in the Nigerian rainforest. The culture of the Ibo tribe dies with its authoritarian chieftain. Things fall apart with the arrival of a new culture. An African classic and masterpiece. *Cornelia Zetzsche, literary editor, critic and presenter*

* 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 list of the best new novels. www.litprom.de



Promoting inclusive business models for sustainable development. Available in German and English.
Matthew McDermott, Jonas Naguib.

Four billion people throughout the world survive on no more than US\$8 a day. The implementing organisations of German development cooperation transfer technical, economic and organisational know-how that enables banks, microfinance institutions, cooperatives and non-governmental organisations to offer products and services to the poor and to micro enterprises. This brochure provides some examples of this work.



Islam and Development Cooperation.
Available in English.

Dr Peer Gatter, Anja Köhler, Jenny Bednarek, Elvira Ganter, Nina Prasch, Arwa Hassan, André Kahlmeyer.

Religious groups have gained a strong political and social foothold in Islamic countries. They often receive stronger support from the population than do state institutions, and their representatives frequently storm into political office. Successful development cooperation now depends more than ever on integrating religious groups into its activities and building on their belief systems.



ANDREAS NIETERS,

CLIMATE EXPERT

PROMOTING CLIMATE-FRIENDLY TECHNOLOGIES touches on many different specialist disciplines, explains Andreas Nieters. Since early 2012 the urban and landscape planner has been managing a new GIZ-assisted project in Costa Rica. On behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), GIZ is supporting the model climate strategy of this emerging economy, which aims to become carbon neutral by 2021. 'We are focusing our efforts on various aspects,' says Nieters, 'including passenger and freight transport, which still relies on fossil fuels.' Climate-friendly technologies are still relatively untested, despite the fact that Costa Rica has an above-average share of green energy. Nieters' work is varied. 'We provide advisory services to the Ministry of Transport, train technical staff and support the introduction of international standards on measuring and auditing greenhouse gases.' His GIZ career began in Brazil in 2000 as an advisor for urban-industrial environmental protection, renewable energies and energy efficiency. Originally from Lower Saxony in Germany, Nieters has a dream that one day he will be able to take his bicycle on the train in Costa Rica in order to reduce his own carbon footprint. Other than that, he feels very much at home in Central America. 'Costa Rica is a really hospitable place for me and my family.'

Photographer: Florian Kopp

👉 GIZ is always looking for climate experts.

Visit us at the GIZ jobs market: www.giz.de/en/html/jobs.html

AUTHORS AND PHOTOGRAPHERS FEATURED IN THIS ISSUE



HAMISH JOHN APPLEBY is a freelance photographer with a great affection for Sri Lanka. He visited the training centre in Miravodai (p. 30).



ROSIE FÜGLEIN travelled to Java on behalf of akzente to find out what is making people like Aloysius Bambang Prayitno return there (p. 34).



FLORIAN KOPP is a freelance photographer living in Rio de Janeiro, Brazil. He photographed Andreas Nieters for the INTRO-DUCING section (p. 46).



HOUSSAM MCHAIEMCH is a freelance photographer living in Lebanon. He photographed teachers and students at Saida's Technical Institute (p. 38).



KATJA SUHR heads GIZ AgenZ in Frankfurt. For the study 'Germany in the Eyes of the World', she interviewed people around the globe (p. 8).



KARSTEN THORMAEHLEN, a freelance photographer working in Frankfurt, photographed Tanja Gönner, GIZ's new Chair, for this issue (p. 26).



FRIEDERIKE BAUER is a freelance writer specialising in international politics and cooperation. In this issue of akzente, she reports on financial systems (p. 12).



ROLAND GROSSMANN UND JÖRG HILGER conducted the interview with Tanja Gönner. They both work for GIZ Corporate Communications (p. 26).



VERA VON LAUFENBERG, a communications designer, illustrated the report on the German Climate Technology Initiative (DKTI) (p. 42).



GABRIELE RZEPKA is a specialist in development policy and technology. She describes the German Climate Technology Initiative (DKTI) (p. 42).



AGNES TANDLER lives in New Delhi and reports from there on South and South-East Asia. She travelled to Sri Lanka for akzente (p. 30).



In this issue, **RONY ZAKARIA** uses his camera to capture the multifaceted phenomenon of migration (p. 34).

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akzente was honoured with a Silver Fox Award in 2012 and a Gold Mercury Award and a Gold Fox Award in 2011.



PREVIEW

akzente issue 04/2012

CLIMATE CHANGE. Humankind influences the global climate. If CO₂ emissions continue to increase unchecked, the average global temperature and sea levels could rise dramatically by 2100. The consequences will be melting glaciers, flooded coastal areas, desertification,

failed harvests and an increase in extreme weather events. GIZ works globally on behalf of various commissioning parties to limit the impact of climate change and reduce greenhouse gas emissions.



PHOTO: GIZ/ROBERT HEINE



States and organisations such as the International Monetary Fund keep gold reserves for times of crisis. The precious metal can be used as a means of payment and to offset US dollar exchange rate fluctuations. The USA has the world's largest gold reserves, with around 8,130 tonnes; Germany is in second place, with around 3,400 tonnes.