

The GIZ Magazine

akzente

Consumption, trade, responsibility

Demand for sustainably manufactured products is on the increase.

OTHER TOPICS:

Forging links: German managers visit Siberia.

Transparency in the extractive industries: The EITI initiative

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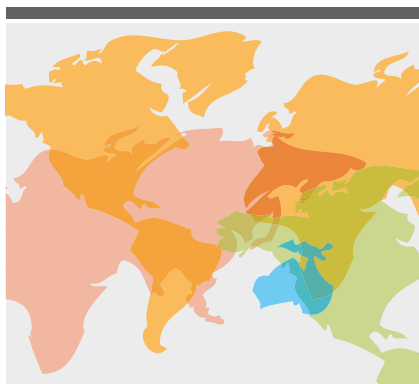




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giz COMPANY PROFILE

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 that employs more than 16,000 staff members and operates in over 130 countries worldwide.

www.giz.de/en

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PHOTOS: OLEKSIY MAKSYMENKO/ALL CANADA PHOTOS/CORBIS (2 TOP LEFT); THOMAS VESER (2 TOP RIGHT); PHILIPP HEDEMANN (3 TOP LEFT); GIZ/KARSTEN THORMAEHLER (3 TOP RIGHT)



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DEAR READER,

You spot a rather stylish T-shirt on the bargain rail. It costs EUR 6.99. You suddenly feel uncomfortable. Why is it so cheap? Where was it made? Where does the cotton come from? And yet you are overcome by an irresistible urge to grab a bargain. And anyway, you can always compensate by treating yourself to a bar of Fairtrade chocolate for EUR 4.29. Sound familiar?



As critical consumers, we face this dilemma on a daily basis. Aware of the problems of globalised and diversified value chains – such as poor health and safety and fire protection in garment factories in Bangladesh and child labour on African cocoa plantations – we try as best we can to weigh up our purchasing decisions with ethical considerations. Now – in response to some extent to the dilemma facing customers – manufacturers and retailers are increasingly bringing production and product sales into line with sustainability issues and integrating social and environmental factors into their corporate strategies. Certification, labels and corporate social responsibility – a company's willingness to be accountable for all aspects of its activities, not just at the operational level – are not simply a short-term matter, but a guarantee for future success in a growing number of sectors. Our feature article 'Consumption, trade, responsibility – the slumbering giant has woken' examines this trend, and in her opinion piece, Lucia Reisch, Member of the German Government's Council for Sustainable Development, talks about the practical challenges consumers face if they want to support sustainable consumption.

Elsewhere, we take you on a journey to the Democratic Republic of the Congo, where the Extractive Industries Transparency Initiative (EITI) compares the cash flows mining companies hand over to the government with tax revenues documented in the national budget. A report from a women's refuge in Yemen provides a less than cheery insight into the country's often very difficult social circumstances and describes the initial successes that have been achieved for individual women, with support from Arab donors. And you will join us on a trip to Siberia with a group of German entrepreneurs. 'Fit for Russia' is a training programme that enables German businesses to establish vital contacts with potential customers and business partners.

As ever, I hope you find this issue both interesting and informative.

Dorothee Hutter
Director of Corporate Communications

Family-friendly!

CERTIFICATION In August 2013, GIZ was awarded the 'Family-friendly Company' certificate of berufundfamilie gGmbH, in recognition of its family-friendly human resources policy. The preliminary stage in this process involved an external audit of the family orientation of the company's working conditions and terms of employment.

'We take this issue very seriously at GIZ. Family-friendliness is part of our social responsibility and commitment to acting sustainably. Creating the right balance between work and family life is not always easy, but it is important and benefits not only the individual employees in question but the company as a whole,' says Renate Scheib, responsible at GIZ for all issues relating to family and work-life balance.

The audit also looked at agreed objectives that the company intends to achieve over the next three years. These include, for example, standardisation of conditions for staff at the various company locations in Germany. For dependents of staff working abroad, additional advisory measures are to be developed both for departing and returning employees, explains Renate Scheib.



Children and a career are perfectly compatible when companies offer family-friendly options.

The company berufundfamilie gGmbH was established in 1998 by the non-profit Hertie Foundation. The berufundfamilie audit operates under the auspices of the German Federal Minister for Family Affairs, Senior Citizens, Women and Youth and the Federal Minister of

Economics and Technology. In recent years certification has evolved into a recognised seal of quality which testifies that a company has a sustainable and family-friendly HR policy.

www.beruf-und-familie.de

Training along German lines



HaengLan Jo (KOICA Nepal) and Roland Steurer (GIZ Nepal)

COFINANCING The state-run Korea International Cooperation Agency (KOICA) is to contribute funds to a BMZ project for the first time. From 2014, KOICA will help fund the Nepalese Government's BMZ-supported programme to promote the health sector in Nepal. This means an additional EUR 200,000 will be available for developing the capacities of the

partner side. This funding will be invested in training courses on health finance and hospital administration, with a view to preparing for the introduction of a national health insurance scheme.

The relevant agreement was signed in Kathmandu in late October. For KOICA this cooperation represents a realignment of its role as donor: until now Korean bilateral cooperation only provided finance for infrastructure. Now the Korean Government is seeking to harmonise its international cooperation with other donors and participate in dialogue and advice at policy level.

95,000

is the number of young people that GIZ helped all over the world in 2012 alone to access proper training.

5 MINUTES

This corresponds to one young person every 5 minutes, on average.



> CAMBODIA

LAND RIGHTS

With German support, over two million private land titles have been issued to date.

CONTEXT During the violent rule of the Khmer Rouge in Cambodia, all land registry and cadastre data were destroyed. People lost their official land ownership deeds and with them a vital means for eking out an existence. Today's population is still heavily reliant on agriculture to earn a living.

THE PROJECT On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ supports land reform in Cambodia and is working to ensure that more poor people living in rural and urban areas receive legally secure access to land. GIZ provides advisory services to national and local authorities on setting up a citizen-oriented grassroots administration and further training staff.

IN THE FIELD Currently over 1,000 Cambodian surveyors are employed in the systematic initial registration of land in accordance with clear statutory provisions. The government has so far issued over two million private land ownership titles. This also provides the population with effective options for resolving land disputes out of court.

> NEW PROJECTS

Reintegration of former soldiers

CHAD The European Union has commissioned GIZ International Services to assist with reintegration of the country's former soldiers. The commission runs until December 2014 and has a total value of EUR 5 million. The aim is to enable around 5,000 men to reintegrate into society through vocational training, in particular in the field of agriculture, and the promotion of micro enterprises.

Supporting green energy

GREECE The German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has commissioned GIZ to work with the Greek Government to develop a reform agenda for renewable energy schemes. Over the next two years, BMU and the European Commission will make available EUR 1.12 million for this purpose. The objective of the reforms is to increase the share of renewable energies.

Protecting consumers

CHINA The German Federal Ministry of Economics and Technology (BMWi) has commissioned GIZ to implement the 'Sino-German Quality Infrastructure Project' with a view to dismantling technical barriers to trade and improving product safety. Thanks to the improvements introduced, products are now safer, which helps protect consumers. The project, which is valued at EUR 4.5 million, will run for three years.

EU election monitoring in Mali



EU election observation chief Louis Michel (third from right) in Chad in 2011

FAIR ELECTIONS On behalf of the European Union, GIZ was responsible for organising logistical aspects of the first European election observation mission in Mali. 90 election specialists from 27 EU member states were deployed to observe the presidential elections in July 2013.

In collaboration with a national team in the field and with safety experts provided by a French partner company, GIZ organised the arrival and departure of experts, as well as travel within the country. GIZ is a contractual partner of the European Commission for the logistics of election observation missions and has acted on behalf of the European Union in places such as Algeria, Ethiopia, Jordan, Paraguay and Chad.

50 years of the German Development Service



US President John F. Kennedy at the establishment of the German Development Service (DED) in Bonn in 1963. Also pictured (from left): his sister Eunice, German Federal President Heinrich Lübke, Walther Casper of the DED, Federal Chancellor Konrad Adenauer and Development Minister Walter Scheel.

OFFICIAL CEREMONY In June 2013, a ceremony was held in Bonn to mark the 50th anniversary of the former German Development Service (DED), which became part of GIZ following the merger in 2011. It was organised by BMZ and the working group Lernen und Helfen in Übersee e.V. along with six other private development services and GIZ. US President John F. Kennedy was present at the DED's establishment in 1963 (see

photo). Two years earlier, Kennedy had established the American 'Peace Corps', which served as the model for DED. In 1964, the first 110 development workers set off to Tanzania, Libya, Afghanistan and India. Since then, over 17,000 people have served in more than 100 countries on behalf of DED and the GIZ Development Service. In the presence of international and national guests, Federal Minister Dirk Niebel thanked

them for their service: 'Development workers symbolise commitment and partnership among equals, they are highly respected in our partner countries.' He went on to outline the extent to which development workers had helped shape Germany's image abroad and the function they played as ambassadors for development cooperation and as role models.

'The secondment of development workers has proved its worth,' said GIZ Managing Director Cornelia Richter. 'They are particularly effective at the local level and in cooperation with civil society.' As such, they form an ideal complement to the advisory measures provided to governments by long-term experts. 'We can only move processes forward by pursuing dialogue between government, the private sector and civil society,' she said.

👉 www.giz.de/entwicklungsdienst

Fair trade with Asia

TRADE FAIR FA!R TRADE & FRIENDS took place from 6 – 8 September 2013 at the Westfalenhallen in Dortmund. Germany's leading trade fair for fair trade gave over 20 Asian manufacturers an opportunity to present their products, from hand-woven clothing and bags made from recycled materials to tea, musical instruments, footballs and toys. Asia was this year's guest continent at the fair. GIZ also put on a special exhibition, financed by the state chancellery of North-Rhine Westphalia. In addition, in the run-up to the fair GIZ organised a specialist study tour for Asian manufacturers who visited fair-trade companies in Germany and the Netherlands. The programme also included a seminar on fair trade in Germany.



World Bank commission for health services

BASIC SERVICES With an area the size of Western and Central Europe combined, the health situation in the Democratic Republic of the Congo is unstable. The World Health Organization announces new epidemics on a weekly basis, particularly in the remote provinces in the south-east of the country. In rural areas, medical services are inadequate. It can take days to reach the nearest health centre – and most of these are very poorly equipped. In many cases, medical assistance arrives too late.

GIZ has now been commissioned by the World Bank and the Ministry of Health in the DR Congo to improve access to basic health services for around 2.8 million people in the south-east of the country. With funding of EUR 5.9 million, the

project aims to develop 21 health zones in remote provinces.



Partnership for the energy revolution

COOPERATION GIZ and the Energieagentur Rheinland-Pfalz GmbH signed a cooperation agreement in Mainz at the end of August 2013 to step up cooperation in energy and climate protection, their areas of expertise. The objective is to jointly acquire and implement international projects. Plans to improve the exchange of information, knowledge management and exchange of experts are also in the pipeline.



SUSTAINABILITY
Project results

REGAINING MOBILITY

100 orthopaedic technicians have got people moving again in Morocco.

- **Project:** Training of orthopaedic technicians in Marrakech
- **Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Overall term:** July 1999 to May 2005

PAST For many years, Morocco's health care system did not adequately cater for people with disabilities due to a shortage of trained orthopaedic experts. From 1999 to 2005, GIZ advised the Moroccan Ministry of Health on behalf of BMZ on how to develop training for orthopaedic technicians in order to meet internationally recognised standards. The objective was to improve the long-term living conditions of people with a physical disability in Morocco and offer a comprehensive range of treatment options, from orthopaedic insoles to costly prostheses.

PRESENT Six years after conclusion of the project, an evaluation has shown that 100 orthopaedic technicians have received training since its launch. 23 of them received an internationally recognised degree, and 90% found permanent employment following training. The 100 newly trained technicians now handle 4,000 additional treatments each year. The majority of patients say they are satisfied or very satisfied to have regained mobility and independence and have improved opportunities for social and professional integration. Basic and advanced training courses are still being conducted as part of the project in Marrakech.



Trio of flags: Russia, Germany and – in the background – Novosibirsk



Guests from Germany are given a warm welcome in Novosibirsk in western Siberia.



Vasily Yurchenko, Governor of the Novosibirsk Region, being interviewed by journalists



Time to relax: engineer Markus Szirmay (right) and the German delegation spent two weeks travelling in Russia.



Markus Szirmay speed-dates a Russian dialogue partner.

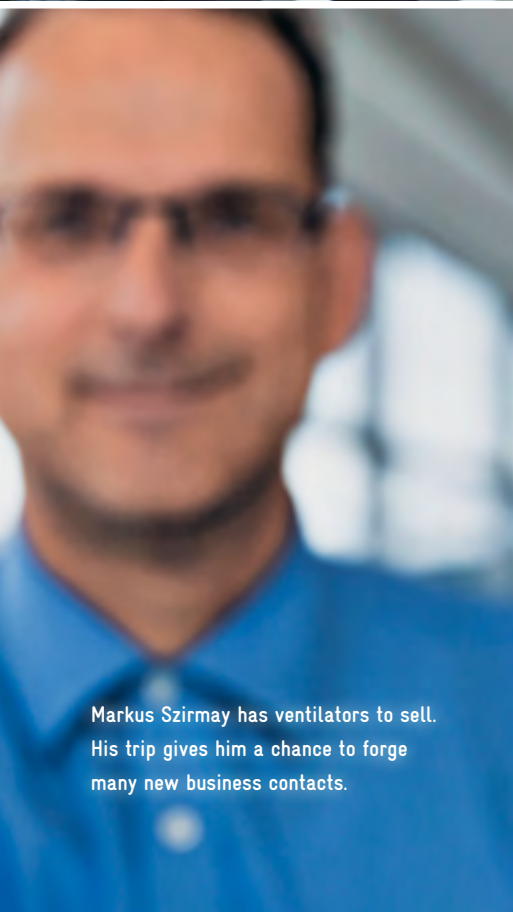


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Markus Szirmay has ventilators to sell. His trip gives him a chance to forge many new business contacts.

FIT FOR RUSSIA

Speed-dating is good for business: German businessmen embark on two-week tours to establish links with potential customers and new partners.

Text Sinan Sat Photos Tristan Vostry

Markus Szirmay straightens his tie and adjusts his jacket. He is weary, having had little sleep the previous night. But this is no time for a nap. Szirmay has a date. And if everything goes to plan, it won't be the only one. He takes a deep breath, focuses his mind and steps into the large conference hall at a hotel in Novosibirsk. 50 men and women sit at tables for two, unfolding catalogues and waiting for the event to get under way. These buyers and sellers, manufacturers and service providers, meat producers and guitar dealers from Germany and Russia have all come here for one thing: speed-dating. They will each have 15 minutes to convince their counterparts of the value of their product before moving on to the next table. Szirmay has travelled thousands of kilometres to attend this event. He knows that first impressions last. The German entrepreneur is well prepared and greets his potential business partners in Russian.

The engineer is hoping to sell industrial ventilators. He knows the Siberian market. In 2010, he was one of the first German businessmen to attend one of the manager training courses financed by the ministries for economic affairs of both Russia and Germany. The purpose of these was to improve German-Russian trade relations. Since then, over 65 German entrepreneurs have visited Siberia alone, with more than 300 attending courses throughout the country as a whole. Around 70% of the companies that have taken part in this programme have since forged long-term business

'My trip to Russia helped me to get my bearings in this dynamic market – and to kindle my enthusiasm for this fascinating country.'

Stefan Ivanov, Sales Representative of Hüttenes-Albertus Chemische Werke GmbH, Hanover

relations with Russian partners. On behalf of the German Federal Ministry of Economics and Technology (BMWi), GIZ has been training German managers to deal with Russian partners and has been establishing contacts in Siberian business and political spheres since November 2006.

'In Siberia, in particular, there is enormous growth potential for cooperation between German and Russian companies,' says Olga Kolesova, who organises the training programme in Novosibirsk on behalf of the Russian Government. 'In the past, German businesses showed relatively little interest in the resource-rich »

east of Russia, but that's slowly beginning to change.' Kolesova looks satisfied. The last of ten rounds of dating is coming to an end. Hundreds of business cards have exchanged hands, around 200 dialogues have been conducted. In a few months' time the Russian will find out exactly how many business transactions were ultimately concluded. Approximately 20 contracts were signed following last year's event.

Markus Szirmay is also happy. 'Although I didn't get to see every company I had on my list, I still managed to have several useful conversations. I have a good feeling about one in particular. I think that partner will get in touch again soon,' says the 50-year-old. He studies his schedule. Next on the programme for the German business delegation is a visit to Veka Rus, a window-frame manufacturer. The company has its head office in Sendenhorst, North-Rhine Westphalia. Veka has been manufacturing in Novosibirsk since 2004. 'From a logistical point of view, the location has proved to be an inspired decision by company management,' says

'A knowledge of the specific intercultural aspects of Russian business life made it a lot easier for me to deal with potential customers and suppliers during my stay in Russia.'

Birgit Kuklinski, Director Corporate Business Russia, Georg Menshen GmbH & Co. KG, Finnentrop

Andrei Ermaschov, the subsidiary's manager. 'As market leaders, this location enables us to supply the whole of eastern Russia.' The lawn outside the gates of the modern company building is neatly mown, German and Russian flags flutter in the breeze. But on the other side of the road is a huge industrial complex with broken windows. To look at the buildings, it would seem nothing has been produced here since long before the collapse of the Soviet Union. But in fact a Russian company produces pig feed here. Andrei Ermaschov is aware of the stark contrast the two businesses create – and the seeds of doubt they sow in the minds of the German entrepreneurs. Ermaschov volunteers information about his company: 'Cleanliness, orderliness, health and safety – just like the German model,' before inviting the German managers to accompany him on a two-hour tour of Veka Rus. The German company's investment has reaped dividends. Equipped with machinery from Germany, the plant runs very efficiently. 'Don't be put off by the surroundings. Good, economical production is obviously possible in Siberia too,' explains a German management consultant.

The delegation boards a bus. The visitors have been invited to meet the Governor of the Novosibirsk Region, Vasily Yurchenko. On the way to the government building, Markus Szirmay receives an email. His contact from that morning, the one he had had a 'good feeling' about, would like to find out more about the industrial ventilators. The German is delighted.

Governor Yurchenko welcomes his guests to Novosibirsk and canvasses for investment. 'These are the sort of benefits only the training programme run by the BMWi can offer,' says Alex Renner, who works for a German consulting firm taking part in the 'Fit for Business in Russia' training programme. 'You get to meet decision-makers from the spheres of politics and business you would otherwise rarely get a chance to meet – good contacts are everything.'


The German journalists accompanying the trip are keen to hear what Governor Yurchenko is doing to combat the widespread corruption that could deter foreign businesses from investing in Russia. 'If any German entrepreneurs ex-


FIT FOR BUSINESS IN RUSSIA

The two-week 'Practical advanced training for experts and managers of German companies in Russia' has flanked BMWi's manager training programme since 2006 (see below). The Russian Government organises local visits to some of the country's economically emerging regions, from Kaliningrad to the far east. German entrepreneurs meet decision-makers from the spheres of politics and business, gain an insight into Russian business practices and culture and establish new business contacts. The programme's format has now also been adapted for the Chinese market.

INTERNATIONAL MANAGER TRAINING

The BMWi has been offering a manager training programme since 1998 as part of German foreign trade policy. Under the slogan 'Fit for Partnership with Germany', the programme prepares managers from currently 15 emerging economies and industrialised countries – including Russia, China and India – to forge business partnerships and enter into cooperation arrangements with German companies. The outcome has brought success for both sides. About 8,500 foreign managers have completed the programme to date. Russia plays a leading role within the programme, having seconded the most company representatives, as well as inviting German companies to visit regions in Russia. BMWi commissioned GIZ to act as programme coordinator as part of its mandate as general manager.

 www.bmw.de/DE/Themen/aussenwirtschaft,did=583418.html

 www.giz.de/en > Our services > Products > Management services

'The training opens doors to every Siberian administration, organisation, consulate and company. I received a warm welcome wherever I went. I was greeted with open arms and a wealth of business opportunities.'

Markus Tetzlaff, consultant for international education and training, Bureau for International Education Management, Bonn

perience problems with corrupt officials, then they should come to me directly. Our approach in Novosibirsk is to take decisive action,' he says.

Markus Szirmay returns to his hotel. He and the other businessmen face another long day tomorrow. Some will drive to the Altai territory, a region dominated by mechanical engineering and agriculture. Others will be heading to Tomsk, a region rich in oil and natural gas. Szirmay will be travelling to the mining city of Kemerovo. The engineer hopes he will meet others here with an interest in his industrial ventilators. ■

> CONTACT

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Guided tour of a coalmine in the Kemerovo region



In Novosibirsk, a third motorway bridge (2.1 km long) is being built over the Ob River.



This building at the Akademgorodok technopark is where ICT start-ups develop their ideas to reach market maturity.



Beside a dump truck at a visit to the Kemerovo coalmine



Veka, with its subsidiary here in Novosibirsk, is one of the world's leading manufacturers of PVC profiles for windows, doors and roller shutters.





CONSUMPTION, TRADE, RESPONSIBILITY

THEMES

IN FOCUS: Demand for sustainably produced goods is rising – many companies have grasped that fact.

OVERVIEW: Examples of GIZ's work

FACTS AND FIGURES: Purchasing decisions and retail offerings are changing.

The slumbering giant has woken

Many people are becoming more environmentally and socially aware. They now weigh up aspects such as fair wages and environmentally responsible production in their purchasing decisions. Companies should not underestimate this growing trend.

Text Petra Hannen **Illustrations** Denise Graetz

It all began back in 1995 with a disused oil storage and loading platform in the North Atlantic. When it was decided to sink the Brent Spar off the Scottish coast, critics of the project became both vocal and active: political parties, associations and churches in many countries bordering the North Sea called for a boycott of the oil giant Shell; companies and authorities even issued relevant instructions. The wave of protest – as vehement as it was unexpected – had an impact. Within a few weeks, sales at Shell petrol stations had collapsed dramatically, forcing the group to decide to dismantle the platform on land and promise as part of a major advertising campaign: ‘We will change.’ During these turbulent weeks, CEOs and customers worldwide learned the same lesson as Shell: dissatisfied consumers can put pressure on major companies and influence their decisions.

Manufacturers and retailers have paid more attention to their business practices and the impact these could have on their customers ever since this wave of protest, now widely regarded as the ‘mother of all consumer protests’. And with good reason, observes Carsten Schmitz-Hoffmann. ‘The major brands can no longer afford not to adopt sustainable production methods,’ says the Head of the Specialised Business Unit Private Sector Cooperation at GIZ. ‘Purely out of self-interest, companies are forced to protect their reputation and image.’ First, they are under constant observation from numerous non-governmental and consumer organisations,

websites and social networks. And secondly, the purchase of goods that meet socially and environmentally responsible production criteria is no longer just an issue for a committed minority, it is a topic of interest to the general public.

High expectations of companies

An international consumer study presented by market research institute Ipsos in July 2013 suggests that the gulf between what people think and how they act remains as wide as ever. A significant majority of the 18,000 respondents from 24 countries think companies should pay more attention to the environment (89%) and make a greater social contribution (84%). But only three out of ten surveyed considered socially responsible production to be an important element of their decision to purchase a product or service. Nevertheless, the ‘political consumer’, which sociologist Ulrich Beck described in his 2002 book *Power and Counter-vailing Power in the Global Age* and labelled the ‘sleeping giant’, now has an increasingly important role to play. Schmitz-Hoffmann describes the development of the last 30 years as an evolution: ‘It all started with associations and grassroots movements becoming active in the field of fair trade, many of them with a political message, such as the sale of coffee produced in Nicaragua. Then in the 1990s, brand manufacturers picked up on the issue. And since the »

COTTON



Main production areas worldwide



Manufacturing a pair of jeans by conventional methods requires around 11,000 litres of water, 85% of it for cotton production. The pesticides used contaminate water resources for many years to come.



After harvesting, the cotton fibres have to be separated from the seeds and the wax removed. Once pressed into bales, they are shipped to the textile factories. The cotton is cleaned, spun, woven, bleached, dyed and, if required, subjected to antimicrobial treatment.



Transport routes are often long: the sewing factories are located in China or Eastern Europe. In general, each worker specialises in sewing only trouser legs, pockets or zippers.



Jeans made from organic cotton are more sparing on resources. Organisations such as the International Association of Natural Textile Industry (IVN) or the Global Organic Textile Standard (GOTS) also certify downstream processing.

COCOA



Main production areas worldwide



1

The cocoa pods are picked from the bush and opened by knife. On African plantations in particular, tasks like these are often performed by children.



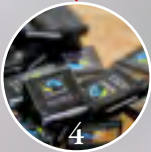
2

The beans are fermented. During this process they are separated from the fleshy fruit. The beans can now be stored, during which time the flavours develop and the beans turn brown. They are then dried, packed and shipped to processing facilities, mainly in Europe and North America.



3

The roasting process can produce up to 400 different aromas. The cocoa nibs are refined in a pressurised reactor before being ground. The heat generated melts the cocoa butter, from which cocoa powder or chocolate can be produced.



4

Look out for the Fairtrade, UTZ Certified or Rainforest Alliance symbols to ensure child labour has not been used in the production of your chocolate.



millennium we have seen a very active retail sector, which has boosted the trend enormously.’

The current annual report published by the organisation Fairtrade International proves the power of consumers and the retail trade. The organisation’s member associations award Fairtrade quality seals for around 300 products worldwide, including tea and coffee, sugar, cocoa, rice, nuts, cotton and soccer balls. According to the report, consumers spent EUR 4.8 billion on Fairtrade products in 2012, compared with just EUR 2.3 billion five years earlier. In particular, sales rose significantly in the organisation’s key markets in 2012 compared with the previous year; these markets include Germany (33% increase), Sweden (28%), the Netherlands (26%), Switzerland (15%) and the United Kingdom (16%). In Germany alone, 42,000 businesses and 20,000 restaurants and food outlets offered Fairtrade goods.

For development economist Hans-Heinrich Bass, who works in the field of fair trade at the Hochschule Bremen (Bremen University of Applied Sciences), the increased sales of consumer products are ‘quite remarkable’. In the food retail sector, the Fairtrade concept has developed from a niche market driven by a handful of political activists to a sizeable market segment. And the success story does not end there, in his opinion. ‘Once quality labels are accepted by the consumer,’ explains the economics professor, ‘the process becomes self-fulfilling. More and more providers want a slice of this growing market segment. This increases both the range of products on offer and its diversity. And this in turn draws a response from the demand side, leading consumers to return to the brand with greater frequency – once again generating new suppliers.’

But there are not only more suppliers of products; the number of organisations that award labels and seals is also increasing. The largest organisation responsible for the certification of products and producers and for checking compliance with criteria is the international umbrella organisation Fairtrade Labelling Organizations International (FLO). Its members award labels such as Fairtrade, BanaFair for bananas, GoodWeave for carpets and the flower label FLP. The standards and certification systems of other non-profit organisations such as the Marine Stewardship Council (MSC) or the Forest Stewardship Council (FSC) focus on fisheries or the timber industry. Quality seals and labels such as these make products more easily identifiable to the consumer. They are often an indispensable aid, as the distance between the manufacture of goods and their consumption has become irrelevant thanks to industrialisation and globalisation, which have rendered the production of goods virtually invisible.

However, the number of standards and labels is growing at such a pace that it is becoming increasingly difficult for consumers to keep track, observes Philipp Schukat, Director of the Social and Environmental Standards Programme, which GIZ implements on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and which is closely involved with the harmonisation and convergence of standards systems. ‘Knowledge of what the various labels actually mean and whether or not they serve to

‘The name of the game is to stay ahead of the competition even in the CSR realm – in essence, to create a virtuous cycle around sustainability.’

Sandra Waddock, Professor of Management at Boston College, Massachusetts

protect the environment and improve social conditions during production is often scant or even non-existent.’ That is why GIZ is currently developing a sustainability standards quality check on behalf of BMZ, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) and the Federal Ministry of Labour and Social Affairs (BMAS). The first stage of this process involves measuring and evaluating the effectiveness of sustainability standards, the ultimate aim being to produce a user-friendly tool for analysis and evaluation, which will enable both private customers, companies and government bodies to make sound sustainable purchasing decisions.

However, sustainability standards are much more than just aids for finding one’s way through the consumer jungle. They are also practical tools for fair, transparent and responsible globalisation. There is no shortage of internationally agreed rules on what socially, environmentally and economically responsible development might look like – the Universal Declaration of Human Rights, for example, or the core labour standards of the International Labour Organization (ILO), the principles of the Rio Declaration »

on Environment and Development, the UN Convention against Corruption or the UN Global Compact, which advocates a more social and environmental approach to globalisation. Often, however, mechanisms for implementation are lacking or need to be put in place. This is particularly true in countries where state structures are rather weak. Standards and labels, on the other hand, bring their content and objectives – and consequently many of the rules – directly to local production processes, resulting in improved working conditions, resource conservation, environmental protection, better quality, higher incomes, more effective management and greater transparency. And beyond the operational level, sustainability standards can even change policy frameworks, for example when states incorporate operational standards into their national legislation.

‘The most important thing is that the companies themselves start to rethink,’ says GIZ economics expert Carsten Schmitz-Hoffmann. In his experience, pressure from the

consumer alone is not enough to ensure that production conditions are constantly monitored and improved: if a manufacturer merely wants a quality seal, it will meet the list of requirements and then not take any further action. But companies should concentrate more on creating a positive framework and providing incentives for improvement, instead of simply eliminating the negative factors – doing this would make a significant contribution to a company’s success. Standards not only meet the needs of consumers and employees, they also fulfil the interests of the companies: factors such as health and safety at work, secure supply chains or reduced consumption of resources ultimately lead to more efficient production, increased productivity and an enhanced market position. ‘By applying sustainable social and economic principles, companies can create competitive advantages, for example if they secure long-term access to resources,’ says Schmitz-Hoffmann. ‘Any business that is not prepared to invest in sustainability will lose out sooner or later. That’s why this form of risk management is »

» INTERVIEW

‘OPTIMISING CERTIFICATION SYSTEMS’



Clemens Neumann is head of the Directorate General for Bio-based Economy, Sustainable Agriculture and Forestry at the German Federal Ministry of Food, Agriculture and Consumer Protection.

Mr Neumann, your ministry helped launch the Sustainable Palm Oil Forum in 2013. What added value do you expect from this forum?

Our ministry takes the view that if industries are to use renewable resources responsibly, then those resources must be produced in compliance with environmental, social and economic criteria. Sustainability certification is at the heart of our approach. The Sustain-

able Palm Oil Forum was set up as a multi-stakeholder process and represents a broad cross section of the private sector and civil society. The involvement of all relevant actors provides a guarantee that ‘soft’ criteria, such as the ban on child labour, are recognised in certification processes.

What specific targets do you associate with the forum?

Palm oil is an indispensable raw material in German industry, from consumer goods manufacturing to food processing. But we have all seen the often shocking pictures of rainforest destruction and human rights violations associated with palm oil production. The forum aims to ensure that Germany only uses 100% sustainable palm oil. This would be a major step towards improving the situation in producer countries and is a key reason why our

ministry supports the forum. Those involved in the forum – GIZ, the Fachagentur Nachwachsende Rohstoffe e.V. and the forum’s founding partners – have adopted the right approach. Support for the forum from the private sector and from environmental, consumer and development organisations has created a powerful tool with which to achieve our declared objective in the medium term. Criticism of certification systems is justified and sustainability certification will not solve all problems. Nevertheless, certified palm oil is still a better alternative to non-certified products and the forum will continue to optimise existing certification systems.

Interview: Daniel May, GIZ



COCHINEAL DYE



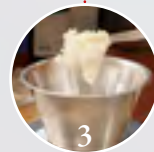
Main production areas worldwide



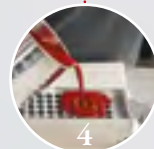
The manufacturers of conventional cosmetics use synthetic colouring agents for lipsticks – but not all of these are as innocent as they seem. One of the natural methods for producing bright red dyes is to process the carminic acid contained in dead cochineal scale insects. The insects are bred on prickly pear cacti.



Over 100,000 scale insects are required to produce one kilogram of cochineal dye. The insects are dried and immersed in hot water with a measure of sulphuric acid. Alum or lime is also used to extract the pigment.



In addition to pigments, the basic lipstick contains lanolin, waxes, oils and dyes. Antioxidants prevent the fats from turning rancid; scents are used to mask the odour of the raw materials.



The manufacturers of natural cosmetics use only environmentally friendly production methods, avoiding oil-based paraffins and other controversial ingredients.

absolutely vital.' On the theme of sustainability, Schmitz-Hoffmann goes on to define a second stage which businesses ignore at their peril: the interests of the finance sector. In their company valuations, banks and stock exchanges take into account sustainability aspects that generate opportunities for ethical investment. Major institutional investors such as the Government Pension Fund of Norway have adopted sustainability criteria into their investment strategy.

So in their various initiatives, programmes and partnerships, many companies develop ways to observe and implement human rights, labour and environmental standards – either in collaboration with GIZ, as part of BMZ's develoPPP.de programme, for example, or they commission GIZ to implement their sustainability goals on their behalf. A recent example is the establishment of the Sustainable Palm Oil Forum in early September 2013 in Berlin, the secretariat of which is headed by GIZ. The forum is based on an initiative of Henkel, the REWE Group, Unilever and the World Wildlife Foundation; it is

funded by the German Federal Ministry of Food, Agriculture and Consumer Protection and supported by non-governmental organisations, associations and churches. The objective is to achieve responsible production of palm oil and palm nut oil in producing countries. The first step is to increase as quickly and comprehensively as possible the proportion of certificated products on the German, Austrian and Swiss markets – in part through voluntary undertakings by the forum's member companies. These companies have set themselves a target to be exclusively using sustainably produced palm oil by 2014 at the latest. Use of the oil, which is found in many foodstuffs, detergents, cleaning agents and fuels, is considered problematic on account of rainforest deforestation, cultivation on peat soils – which impacts on climate change – and the displacement of indigenous population groups. The forum's basic philosophy is that only a coordinated and sectoral approach can solve the many problems caused by palm oil cultivation. One of the key challenges is to bring about a

EXAMPLES OF GIZ'S WORK > COMPANY INITIATIVES

Improved working conditions

Project: Improving productivity and social standards at clothing supplier operations in India and Bangladesh
Commissioned by: C&A Foundation
Overall term: 2011 to 2013

INDIA AND BANGLADESH GIZ developed and tested a concept for change processes with ten C&A suppliers in India and Bangladesh. Talks were held between company management and the workforce, and new long-term communication channels were established. An improved understanding between the two parties led to greater compliance with social standards in production and therefore to improvements in the living and working conditions of workers. Productivity of these operations also improved considerably. A central element of the approach was the creation of change management teams, each consisting of workers, an HR manager and a production manager.

Corporate social responsibility



Project: Sustainable Palm Oil Forum
Commissioned by: German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV)
Cofinancing: Henkel, REWE Group, Unilever
Overall term: 2013 to 2015

GERMANY The Sustainable Palm Oil Forum was created in September 2013 at the initiative of Henkel, the REWE Group and Unilever with support from the WWF and various commercial and retail operations. On behalf of BMELV, GIZ is responsible for establishing and managing a joint secretariat, drafting a charter and creating a long-term self-sustaining financing model. The secretariat advises and represents the forum. It monitors developments in the sector and communicates experiences, particularly on the issue of sustainability labelling.

www.forumpalmoel.org

massive increase in the demand for certified palm oil, the next step being to add stricter criteria to existing certification systems.

Concepts also guarantee company success

A similar approach is taken by the Sustainable Cocoa Forum. Established in 2012 by GIZ, which also runs the secretariat, the forum is funded by the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV), the Federal Ministry for Economic Cooperation and Development (BMZ), the Association of the German Confectionery Industry (BDSI), the Federal Association of the German Retail Grocery Trade (BVLH) and several well-known companies such as Bahlsen, Ferrero, Mars, Nestlé, Real and Tegur. The aim of the Sustainable Cocoa Forum is to improve living conditions for cocoa farmers – for example, by making cocoa production more efficient, more socially and environmentally responsible, by fulfilling

market requirements and in so doing ensuring a more stable income. Moreover, with demand for high-grade cocoa on the increase, it offers the confectionery industry an opportunity to safeguard its supply of raw materials and help prevent low yields, poor production methods and high post-harvest losses.

GIZ also works with public and private partners in the field of cotton production. In partnership with the Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) and the Aid by Trade Foundation, it implements the Competitive African Cotton Initiative founded by the Bill & Melinda Gates Foundation and BMZ. This project is based on the Aid by Trade Foundation, founded in 2005 by Hamburg businessman Michael Otto, and its initiative Cotton made in Africa (see article in akzente 02/2013). The initiative provides small farmers with knowledge about production techniques and business management, promotes women's cooperatives and facilitates access to microcredit. The sustainably produced cotton is sold under the label »

Sustainability standards

Project: Social and Environmental Standards Programme
Commissioned by: German Federal Ministry for Economic Cooperation and Development
Overall term: 2013 to 2015

WORLDWIDE Standardised certifications systems – often identified by a product label – make a global contribution to environmentally compatible and socially responsible manufacturing conditions. However, many national legislators and companies face problems when it comes to evaluating, introducing and monitoring such standards systems. If a balance is to be found between environmental compatibility, social justice and commercial viability, many different actors must come together and pool their resources. On behalf of BMZ, GIZ advises these actors worldwide on developing and implementing standards and supports them in this context. Approaches include developing the Quality Check: Sustainability Standards project, certification for tropical timber and partnerships with the private sector to improve production and working conditions in Asian supplier companies.

www.giz.de/expertise/html/6855.html

Supporting cocoa farmers

Project: Sustainable Cocoa Forum
Financing: German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV), German Federal Ministry for Economic Cooperation and Development (BMZ), the Association of the German Confectionery Industry (BDSI), the Federal Association of the German Retail Grocery Trade (BVLH)
Overall term: from 2012

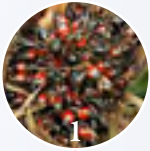
WORLDWIDE The objective of the Sustainable Cocoa Forum, which is supported by the German Government, the German confectionery industry and German food retailers, NGOs and certification organisations (Fairtrade, Rainforest Alliance and UTZ Certified), is to improve the situation of cocoa growers and promote sustainable cocoa farming. The forum, which will soon be awarded the status of an association under German law, currently has around 80 members. Exchanges between members increase the impact of individual activities, pooling them to create a more unified approach. The forum's secretariat is supported by GIZ.

www.kakaoforum.de

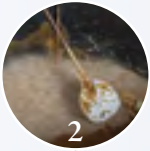
PALM KERNEL OIL



Main growing areas worldwide



With a wide variety of uses, palm kernel oil is the world's leading vegetable oil. But rising demand is causing the destruction of rainforests in favour of monoculture plantations. The oil is extracted by drying, milling and pressing the palm kernels.



The fats used in soap manufacture are generally boiled in a strong alkali solution in the country of origin. This process, known as saponification, breaks down the fats into glycerol and fatty acid esters: - the soap.



Under the addition of a saline solution, the soap emulsion is separated out into the soap curd and residual alkali solution, then boiled to dissolve out remaining impurities. Desalination results in formation of the soap curd.



The finished soap is produced by adding moisturising additives and fragrances. This usually takes place in the countries in which the brand manufacturers are based. Initiatives geared to achieving minimum standards for palm oil production have been around for years.



Cotton made in Africa at world-market prices, thereby ensuring that raw materials do not become more expensive for cotton companies, intermediaries and spinning mills. Textile companies that wish to use the cotton and the Cotton made in Africa label for their clothing are required to become partners of the Aid by Trade Foundation and pay a licence fee. All licence income is then reinvested in project areas. Companies that have already signed up to the project include Otto, Puma, Tchibo, Tom Tailor and s.Oliver. Their demand reflects the demand of their customers: according to a survey by the research institute forsa, 77% of Germans would either buy fewer or no more products from their preferred manufacturers if they were found not to comply with sustainable production methods – so companies that choose to ignore the trend towards sustainability face a decline in customer numbers. And according to the forsa survey, 85% of German consumers would pay more for clothing that is proven to have been manufactured in an environmentally responsible manner and under fair working conditions.

Sustainability concepts benefit not only raw materials producers but also the contract manufacturers, who function as an 'extended workbench', often located in low-wage countries. GIZ has been implementing the Supplier Qualification Program for discount retailer Lidl with suppliers in Bangladesh for several years. The programme supports producers by offering training measures on compliance with social standards, with the aim of improving the working and living conditions of employees. The primary focus is the health of workers and safety at the workplace. The clothing retailer C&A also commissioned GIZ to promote the implementation of sustainability standards among clothing producers in Bangladesh and India. Here, a combination of measures to improve working conditions, promote more sustainable and efficient production and enhance quality is being used to increase wage levels, improve regulation of working time and boost workforce participation in decision-making processes. The approaches of both retailers build on secure internal communications channels, which facilitate dialogue on a level playing field between management and workers if difficulties arise that need to be resolved. GIZ's experience shows that dialogue provides the key to long-term change in production operations. Systems to identify social and environmental standards form a sound basis for change, but using and observing them needs to be internalised. The retail trade and many trademark proprietors have recognised the need to put in place a strategic supply chain management system – which includes capacity development for their suppliers – if they are to achieve reliable compliance with standards systems.

The trend towards sustainability is also having an effect on the way companies portray themselves to the public: the

number of reports in which companies highlight their economic, social and environmental footprint is rising steadily. 'The main motivation for companies is to ensure their social acceptance,' says Stefan Schaltegger from the Leuphana University Lüneburg, which collaborated with ten other universities from around the world to create the latest International Corporate Sustainability Barometer. But Schaltegger thinks those who criticise major companies for engaging with sustainability for image reasons alone are missing the point. 'The

'Alignment with environmental and social standards renders global supply chains safer and more reliable.'

From: Recommendations of the Council for Sustainable Development 2006

desire to ensure acceptance is not the same as greenwashing, in which the private sector does nothing of any real consequence for sustainability.'

But what each company considers essential and how it interprets the notion of Corporate Social Responsibility (CSR) depends on its awareness, location and surroundings. In Germany and other OECD countries, CSR generally means voluntary entrepreneurial engagement that goes beyond legal requirements. In developing and emerging countries, on the other hand, it often refers to activities that compensate for loopholes in regulations or for malfunctioning state monitoring or functional systems and helps achieve initial compliance with laws or standards. China, on the other hand, sees in CSR an opportunity to contain the negative effects of high and sustained economic growth – such as environmental pollution and antisocial working conditions. CSR has found its way onto the development agenda: in 2007, the Chinese Government developed the principle of a 'harmonious society', which aims to reconcile economic goals with social and environmental interests and is to be implemented primarily by the nation's companies. This development was predicted by the sociologist Ulrich Beck in 2002 when he stated that companies are the revolutionary power in the early 21st century because they are changing the world order and value systems not just in one country, but in all countries. »

‘Although CSR activities among corporate groups in developing and emerging markets are often rooted in philanthropic measures, more and more of them recognise the strategic added value to be gained by embedding CSR in core business,’ says Christoffer Brick, who works on CSR issues within GIZ. ‘This creates an interesting dynamic: on the one hand, these emerging multinational companies can only find international partners and develop sales markets if they act in a responsible and sustainable way. At the same time, however, these companies see themselves as development actors for their homeland and offer new products and business models that are tailored to the domestic market and for markets in other developing countries.’ Broad-based business models play a particular role in integrating those living in poverty into the value-added chain as consumers, producers, employees or business partners. This gives them access to new products, services and income possibilities. Moreover, it enables companies to develop new markets. This concept is known as ‘inclusive business’. GIZ is working on behalf of BMZ to develop centres for corporate social responsibility and broad-based business models – so-called ‘responsible and inclusive business hubs’ – in sub-Saharan Africa, the Middle East and North Africa region and in South-East Asia. These centres offer, for example, sector-specific workshops for companies in the energy, pharmaceutical and agricultural industries, in which participants can further develop their broad-based business models.

The market is huge: according to figures published by the United Nations, over 20,000 multinational companies are currently based in developing and emerging countries. Here, three billion people live on less than USD 2 per day, and one billion survive on up to USD 8. Collectively they form the base of the global income pyramid. Their purchasing power is estimated at a total of USD 5 trillion. That makes them of interest to companies, even if these people are forced to spend what they have mainly on food, clothing and fuel and are unable to afford most other products. In countries such as these, sustainable economic development that can be supported by the companies generally improves both occupational safety and pay. And higher wages increase purchasing power – which in turn opens up new markets and gives people new prospects for consumerism.

Environmental awareness is growing

These new perspectives also bring with them a new awareness for the quality of the products on offer, the producers’ corporate policy and their own individual rights – aspects that are closely related to sustainability and CSR activities. Social and environmental awareness is on the rise in countries beyond the

industrialised world. In its Annual Chinese Consumer Report, management consultants McKinsey noted a tangible increase in Chinese awareness of issues such as health and the environment. According to the report, 44% of Chinese are prepared to pay more for environmentally friendly products. And their purchasing decisions are also influenced by considerations of product quality: when asked what factors determined their choice of chocolate brand, 57% gave the answer ‘safety’ – a consequence of the scandals concerning counterfeit or contaminated products such as milk powder and medicines. There has been a similar change in awareness in India, where consumers see producers as bearing greater responsibility. Since the end of last year, Indian businesses have been offering products with Fairtrade labels. And when it comes to ensuring personal data is handled in a responsible way, consumers in emerging countries such as China and Brazil are also making their voices heard more: on behalf of the German Federal Ministry of Food, Agriculture and Consumer Protection, GIZ is implementing a project in these countries that is designed to initiate dialogues and partnerships on the issue of customer data protection between the countries on the one hand and Germany on the other.

According to Ulrich Beck, consumerism does not recognise boundaries – either in terms of production or consumption. For that reason, the sociologist sees the consumer society as the real world society – and every purchase decision a ballot paper with which customers cast their vote on company policies. Back in 2002, Beck referred to the political consumer as a ‘sleeping giant’. Now the giant has stirred. ■

CONSUMPTION AND TRADE IN FIGURES



+ 33%

There is increasing demand for **fairly traded products**. Take Fairtrade, for example: sales of products with Fairtrade certification rose by 33% in Germany from 2011 to 2012. **Coffee is the top-selling product**, followed by cut flowers, fruit juice and bananas. 47% of the approximately 1.1 million associated small farmers grow coffee.

SOURCE: FAIRTRADE DEUTSCHLAND



+ 35%

35% is the amount by which **cotton farmers from the Cotton made in Africa initiative** have increased their income. The environmental footprint for their cotton makes impressive reading with 98% less water being consumed and 60% less greenhouse gas emissions being produced compared with conventional cotton production.

SOURCE: MICHAEL OTTO, FOUNDER OF THE AID BY TRADE FOUNDATION

36%

36% of consumers consider **food labelling** to be inadequate, 31% see it as unclear and difficult to understand.

SOURCES: FORSA SURVEY ON FOOD LABELLING CONDUCTED FOR BMELV/FEDERATION OF GERMAN CONSUMER ORGANISATIONS (VZBV)



1%

1% of the **end price of a pair of jeans** goes towards wages for the entire workforce involved in production, 13% goes on materials and 11% on transport and duties.

SOURCE: PRAXIS UMWELTBILDUNG

89%

89% of consumers think **companies should be more transparent** if they want to earn or maintain public confidence. In particular, they want more information on potential product risks.

SOURCES: KLENK & HOURSCH (2011), STUDY ON TRANSPARENCY 2011/FEDERATION OF GERMAN CONSUMER ORGANISATIONS (VZBV)



55%

55% of Europeans intend to bring their **consumer behaviour into line with sustainability criteria**. 89% would like to pay more attention to the regional origin of goods.

SOURCE: EUROPEAN CONSUMPTION BAROMETER 2013



» Outside view

LOFTY GOALS, PRACTICAL CHALLENGES

Sustainable consumption is not just for other people – but taking it seriously means weighing up all the options.

» PROFILE

Lucia Reisch is an economist and consumer researcher. A professor of consumer policy at Copenhagen Business School in Denmark, she also holds a professorship at Zeppelin University in Friedrichshafen, Germany. She is involved in four EU projects on sustainable consumption and sits on various committees, including the German Government's Council for Sustainable Development.

Here I am, yet again, on a plane. Not that I don't know that this is the most climate-damaging mode of transport. But how else am I meant to get to my meetings in the capital, to my lectures at the university, and to my staff and project partners, who are scattered all over Europe? Video conferences and Skype mean massive gains in time and resources but they're no substitute for face-to-face discussions. And how can I keep in contact with friends all over the world and my family in the US without getting on a plane? What's more, how can we possibly tell young people that they shouldn't be exploring the world, making new friends and experiencing other cultures in the interests of personal growth, just as we did? We can't, surely.

There are conflicts of interest wherever we look. It's hardly surprising. After all, sustainable development is a form of development that depends on our awareness. It means devising strategies to deal with the fundamental conflicts of interest between our own quality of life and the finite nature of the Earth's environmental and social resources, relying on efficiency, consistency and sufficiency. So in order to maintain my

credibility, not least in my own eyes, I've created a set of habits for myself to mitigate these conflicts – because resolving them is impossible. I offset my carbon emissions with Atmosfair (the automated payment machine at Stuttgart Airport is very handy; the process takes two minutes). I take the train for journeys of up to four hours (and choose the 100% green energy option for my rail travel). We generally spend our family holidays on an organic farm in Styria. At home and at work, regional, seasonal, organic food is generally available. I buy recycled paper, MSC-certified fish, FSC-certified wood and timber products, and organic cosmetics with no animal testing. Sustainable investments, energy-efficient heating and green electricity are a given. And in a designer city like Copenhagen, with its plethora of ethical and sustainable fashion labels, there's no need to compromise when it comes to looking stylish.

But is all this actually doing any good? It's certainly not enough to offset the carbon emissions from my flight today. I could drive my car for a year and still only produce the same emissions as one transatlantic flight. So is it a drop in the ocean? A sop to my conscience, the



modern-day equivalent of the mediaeval sale of indulgences, this time aimed at concerned academics? Is sustainable consumption possible at all, or is it a contradiction in terms – an oxymoron? Doesn't consumption always involve the use and destruction of materials and resources, the degradation and exploitation of the natural world and social values? Here at my own institution, we have just found out how many 'slaves' we theoretically employ – and it's an alarming number (you can work it out for yourself at www.slaveryfootprint.org). And this with a staff of young people, all of whom undoubtedly achieve the highest scores for their values and motivation to engage in

options – provided that you are sufficiently committed and your household budget stretches that far. Thanks to transparency initiatives, consumer information websites like the German Council for Sustainable Development's 'Sustainable Shopping Basket', eco-labels, some more credible than others, codes to scan on your smartphone and other independent information offers, consumers can easily find out about a product's green credentials and whether it raises any social or ethical issues. But as neuroeconomic studies have shown, this requires considerable time and mental effort on the part of the consumer, who has to search for, understand, evaluate and weigh up all the information. And very few labels are suffi-

ciently clear, impartial and credible that they can be used as a 'mental short-cut' and a substitute for one's own research. There is a need for action by policy-makers here: labels should include the criteria used in the award process, be up-to-date, be independently verified and should themselves be subject to quality assurance or certification. There's definitely a need to remove the more nonsensical and confusing ones from the market, leaving a handful of trustworthy labels, as Baden-Württemberg's Consumer Affairs Commission has shown.

consumer choice. 'Sufficiency' is the most radical form of sustainable consumption, but it is also the most difficult to explain and to demand and promote politically. In the words of a well-known critic of growth: 'Abundance is not about how much you have – it's about how little you need.' But for politicians, this is dangerous terrain. We need only recall the outcry from the German car industry when Baden-Württemberg's new Prime Minister, Winfried Kretschmann from the Greens, commented, in one of his first interviews after his election, that it's not about selling more cars; it's about cutting car sales and achieving better mobility. It's a similar situation with consumption options which generally lead to less materialism, such as 'use, don't own' schemes and shared ownership, shared use or leasing. This trend is particularly strong in cities with anonymous, individualised lifestyles: here, it's just as much about creating a community as it is about self-help and money-saving. Urban wasteland is being used as never before for community-based vegetable-growing, for example. Here, the allotment movement has given rise to urban gardening in a very real sense. Repair cafés are also springing up as community events and are all about fixing items like mobile phones and printers. And local communities are competing to see who can save and generate more energy.

Labels should cover all relevant criteria, be up-to-date and independently verified, and undergo quality assurance.

strategic consumption. In consultant-speak, they are classic examples of the 'Lifestyles of Health and Sustainability (LOHAS)*' demographic.

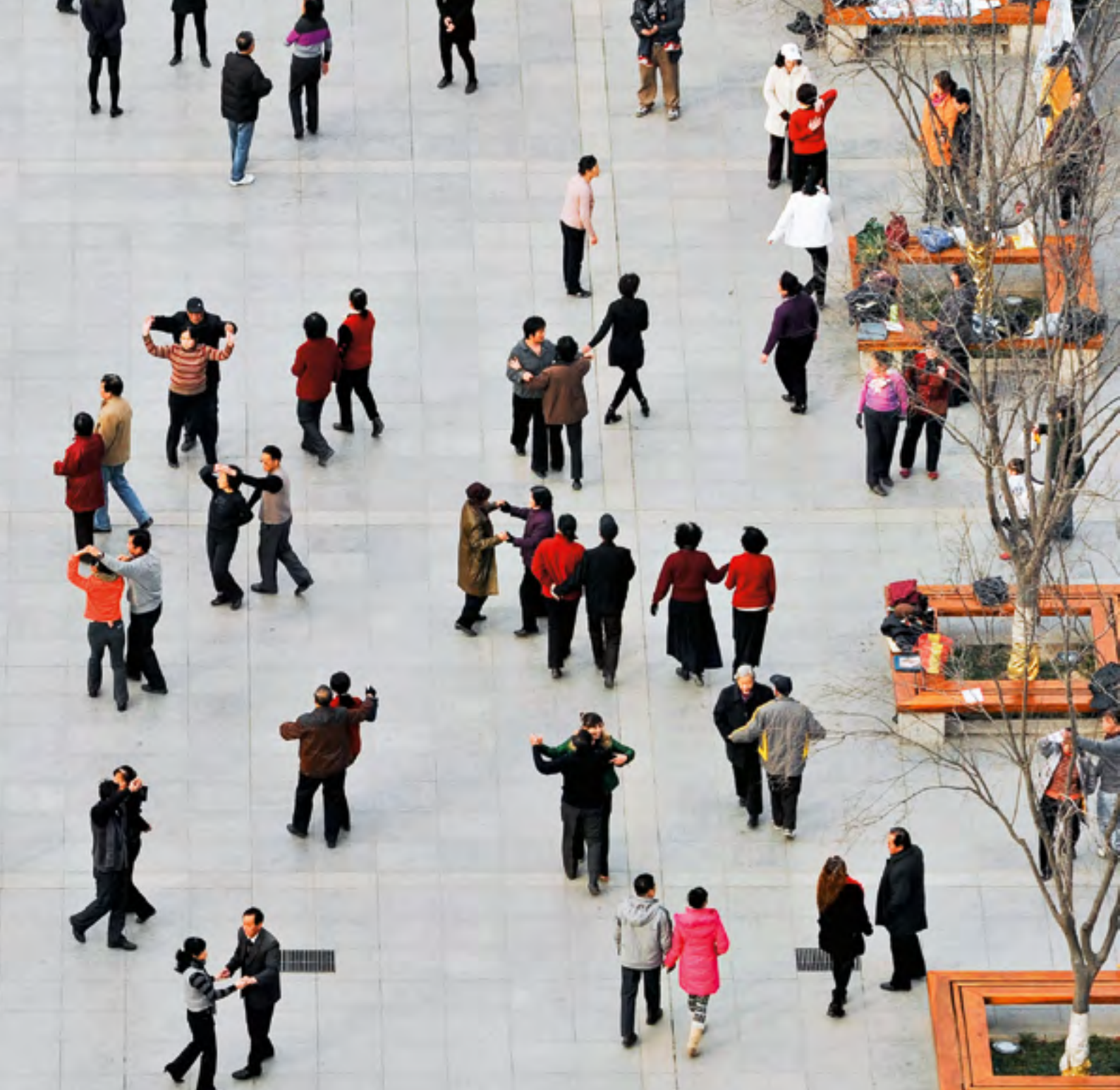
In fact, sustainable consumption is a relative concept. Some consumption options are more, or less, sustainable than others; some are 'greener', score higher on social justice, are more economical, kinder to animals, or more efficient. They have a longer lifespan, are easier to repair, and are more equitable. In most areas of consumption, it's now fairly easy to choose between these

So is there any such thing as sustainable consumption? Yes, indeed – a decision to do without a product entirely, or to postpone consumption for the time being, is a genuinely sustainable con-

Today's sustainable consumption has many faces – and fashions. Shabby chic is no longer the only style in town: in Denmark, the home of great design, innovative business models are emerging at the interface between the formal and the informal sectors. They include clothes libraries as a sustainable approach to designer fashion, and online swap shops for kids' stuff. Consumption is no longer all about consuming: it's also about producing, modifying, upcycling and making creative use of all that we have. ■

* Lifestyles of Health and Sustainability (LOHAS): this describes a demographic group whose lifestyle is determined by principles of health awareness and healthy and sustainable living.





A DIFFERENT VIEW OF CHINA

SPORT AND DANCE, to the soothing sounds of traditional Asian melodies and waltzes, for young and old, at half past nine every morning in front of the Great Wild Goose Pagoda in the city of Xi'an, Shaanxi Province. The famous Terracotta Army, a collection of 7,000 clay soldiers, was discovered on the outskirts of Xi'an at the mausoleum of Emperor Qin Shi Huangdi in 1974. As part of the strategic partnership between Germany and China, GIZ provides advisory services and support for the Chinese Government's reform process.

Photographer: Jörg Böhling

www.giz.de/china



At the Kawama copper mine near Lubumbashi in Katanga province, artisanal miners have formed cooperatives and sell the copper ore to nearby smelters.

SHEDDING LIGHT ON SHADY DEALINGS

The Democratic Republic of the Congo has untold resource wealth, but the revenue from the sale of these resources often vanishes into thin air, leaving the Congolese people mired in poverty. The Extractive Industries Transparency Initiative (EITI) aims to improve the situation.

Text and photos Thomas Veser

The brick-built houses in the former mining town of Kipushi have a golden glow in the evening sun. The buildings, dating back to the Belgian colonial era, are roofed with corrugated iron. Each house is occupied by two families, with one room for each family and a communal living room, a vegetable patch and pens for goats and pigs. Every day, the men travel to the provincial capital Lubumbashi, some 30 kilometres away, in search of work. The women earn a basic wage in a nearby quarry, extracting gravel for road-building. Their children are expected to work as well.

For miners here in Kipushi, which has a population of 55,000 and lies very close to the border with Zambia, the work dried up long ago. During the privatisation of the mining industry in the 1990s, the state-owned mining company Gécamines let go around 11,000 mineworkers. To cushion the blow, they were offered payoffs of USD 2,000 to 3,000. But the money is long gone. Many families used it to buy their homes, but can no longer afford the upkeep. Many of the houses have collapsed, while others have ominous cracks in the walls – a painful reminder, to the occupants, of the town's mining past. With vast amounts of copper and tin having been extracted over many decades, their homes are on shaky ground.

The people of Kipushi feel abandoned. Working in the quarry is now virtually their only option. 'I have a family to feed,' says 46-year-old widow Maman Claudine matter-of-factly. Her job consists of breaking rocks – even though there are at least 22 million tonnes of copper and zinc reserves in the ground around Kipushi. To-

gether with the mining areas around Kolwezi, Kambove and Likasi, Kipushi forms part of the legendary copperbelt in Katanga province. The region's mineral wealth was first discovered by Belgian geologist Jules Cornet in 1892. He produced evidence that the rock strata here contain high concentrations of copper, tin, zinc, cobalt, uranium, gold and other rare metals. The Democratic Republic of the Congo has the world's largest cobalt deposits and second-largest copper reserves. Crude oil is also extracted in vast quantities.

Two thirds of the people are undernourished

And yet despite its mineral wealth, the Democratic Republic of the Congo (DRC) ranks very near the top of the list of the world's poorest countries. Two thirds of the population are undernourished, a fifth of the country's children die before the age of five, the health and education systems are rudimentary, and the transport infrastructure for passengers and freight is inadequate.

In order to achieve long overdue improvements in living conditions for the majority of the country's 75 million people, targeted public investment in these sectors is essential. But with an annual budget of just USD 7 billion, the DRC's government simply doesn't have the money.

With all the revenue from resource extraction, why is the country not winning the battle against poverty? It's no secret: poor governance and widespread corruption are depriving the DRC of taxes and duties. Revenue from the ex-

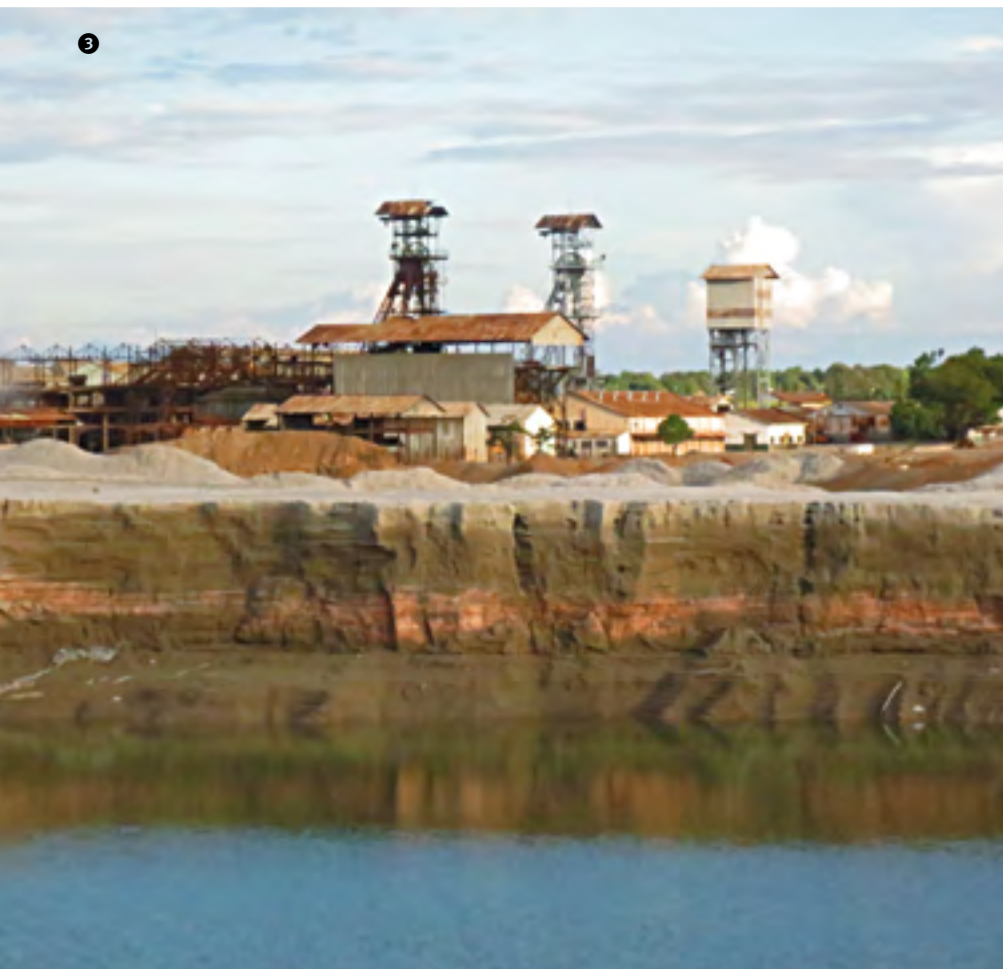
tractive industries currently accounts for just 13% of GDP – putting it on a par with agriculture. Year after year, untold sums of money are siphoned off in shady deals. The precise figures are unknown, and almost impossible to determine.

In an attempt to shed some light on the subject, the Democratic Republic of the Congo joined the global Extractive Industries Transparency Initiative (EITI) in 2005. The DRC's involvement in the EITI has parliamentary backing and is supported by a project commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ (see box, page 33).

The principles by which the EITI measures transparency are quite simple: extractive industry companies disclose what they have paid to the government in taxes and other payments, and the government discloses what it has received. These two sets of figures are compared and reconciled. The results of this data comparison, which is carried out by an independent auditor, are published in an annual EITI Report which verifies that disclosure and reporting are taking place in accordance with EITI principles, based on a total of 20 criteria. If any irregularities on the spending or revenue side come to light, the national EITI Committee takes action. 'If, during the comparison of the two sets of figures, there are found to be discrepancies between the sums proven to have been paid by the companies and the amounts shown in the national accounts, this is investigated to determine whether inefficient revenue >>



1 This rock contains copper ore. 2 In Kipushi on the border with Zambia, rocks are crushed by hand for use in road-building. 3 Kipushi was once a major copper mining area, but the largest mines are now flooded and the wheels no longer turn.



collection or even tax fraud could be the cause,' explains Thierry Kabamba, who heads the Lubumbashi branch of the national EITI Committee.

The latest EITI Report covers 2010 and, like its predecessors, was rejected by the auditor as 'non-compliant' on the grounds that three of the 20 criteria had not been met. Indeed, the EITI's International Secretariat raised objections in relation to six criteria and therefore took the decision, in April 2013, to suspend the DRC's EITI candidate status for a year. Unless the DRC's report for 2011 is beyond reproach, it may well be excluded from the EITI process for several years. This could prove very damaging, for maintaining a good international reputation is extremely important. Otherwise, international banks might obstruct or even block the government's and companies' access to loans, and international investors could be deterred from providing the financing that the country so urgently needs.

All partners around the table

Nonetheless, Jean-Jacques Kayembe, who heads the DRC's EITI Technical Secretariat in Kinshasa, is upbeat. 'The Transparency Initiative got off to a very bad start here. It was rejected out of hand and was obstructed at every turn, because people saw it as a cumbersome structure that was not fit for purpose,' he says. But the new government is backing the initiative. MP Nicolas Bulukungu agrees: 'Since 2011, declarations of intent have been followed by action. It's now easier to explain to people what the initiative is all about.' And what is it about? The answer is simple: more public access to information. However, the figures fluctuate from year to year and don't always lend themselves to comparison. As Jean-Jacques Kayembe explains, this is because information is only requested from companies generating at least 1% of the annual export volume of USD 4.5 billion – and the number of these companies is always changing. 'There is constant movement of companies in and out of the market, as well as mergers and new companies being formed.'

Nonetheless, another of the EITI's most important goals – to bring the industry, public authorities and civil society representatives to-

gether around the table – seems to have been achieved. The silence which prevailed during the Mobutu dictatorship has now been broken and people can speak openly. ‘That’s a very significant development,’ says Jean-Claude Kattende from ‘Publiez ce que vous payez’ (Publish what you pay). ‘The EITI is one of the few initiatives producing tangible results.’ This is creating transparency, and that’s the key to combating corruption, he says. However, he points out that not all the deals reached between the government and extractive industry companies have been disclosed to the public.

In the DRC’s eastern provinces, the German Federal Institute for Geosciences and Natural Resources (BGR) is working with the national Ministry of Mines to develop a certification scheme for mineral resources extracted in small-scale mining. This will close a loophole in the existing system, as small-scale mining activities have not been included in the DRC’s EITI reports since 2010. The scheme aims to clarify whether the stated amounts genuinely originate from the mine in question and whether the amount of resources extracted and the amount traded tally with each other. An independent auditor also inspects the mines to verify their compliance with the defined standards, as regards corruption, transparency, safety at work, environmental protection, child labour and social improvements.

According to Antje Hagemann from the BGR, the experience of attempting to bring small-scale mining in the DRC’s eastern provinces into line with international standards has been encouraging: ‘We can definitely see some improvement. The miners now know exactly which payments they are officially required to make, and with this knowledge, they are protected from unreasonable demands from the authorities. As a result, they have more disposable income.’

The certification scheme is seen as an important step in improving living and working conditions in the DRC’s eastern provinces and is a very effective complement to the national EITI strategy. ■

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➤ DEMOCRATIC REPUBLIC OF THE CONGO



➤ VITAL STATISTICS

- Capital:** Kinshasa
- Population:** approximately 75 million
- GDP per capita:** USD 3,546¹
- Mining/industry share of GDP:** 69.4%
- Percentage of population living below national poverty line:** 71%
- Human Development Index ranking:** 186 (out of 187)

Sources: CIA – The World Factbook; ¹Germany Trade & Invest, estimated figure for 2013

More tax revenue for poverty reduction

- Project:** Supporting good governance in the exploitation of mineral resources
- Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
- Partner:** Ministry of Planning of the Democratic Republic of the Congo
- Overall term:** 2009 to 2015

The Democratic Republic of the Congo (DRC) has the world’s largest cobalt deposits and second-largest copper reserves, as well as diamonds, gold, oil, tin and coltan. And yet it is one of the world’s poorest countries. More than two thirds of the population are undernourished and a fifth of the country’s children die before the age of five. Weak public authorities, widespread corruption and often illegal exploitation of mineral resources mean that the state is missing out on substantial amounts of taxes and duties that are urgently needed to combat poverty. On behalf of BMZ, GIZ is advising the government on implementing the principles established by the global Extractive Industries Transparency Initiative (EITI). The aim is to create a transparent, efficient system of raising taxes and duties from the mineral resources sector, to increase public revenue and to generate more funds for poverty reduction. Civil society, the private sector and the government are working with the DRC’s national EITI Secretariat and are committed to disclosing all the taxes and duties paid or received. Independent auditors compare and reconcile the data and produce an annual EITI Report which documents and publishes the payment flows in a transparent manner, drawing attention to any irregularities. Parliament can thus perform its monitoring role more effectively and accelerate reform processes relating to data exchange between the individual finance divisions, ministries and mining authorities. In addition, in cooperation with the German Federal Institute for Geosciences and Natural Resources (BGR), the project is working to introduce a certification system to combat the illegal exploitation of resources.

👉 www.eiti.org

RIHANNA'S DREAM

Help for victims of domestic violence: in cooperation with Arab donors, the German Government is supporting a women's project in Yemen, assisting women setting up in business to gain access to microloans. This is improving women's status in society.

Text Julia Gerlach



A rare snapshot: this young woman is being cared for by a women's refuge in Yemen.

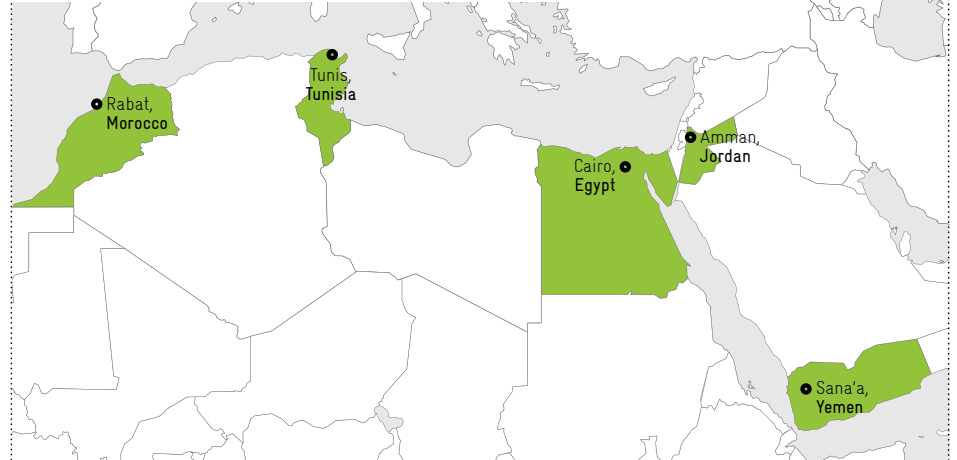
Rihanna has a dream. That in itself is something very special, for girls like her don't usually dare to dream of a better future. 'I'd like to become a dressmaker and set up a small business,' she says. A smile lights up her face. Later, in a soft voice, the 18-year-old tells her story. 'I was 11 years old when my brothers married me off. They were paid cash for me.' She became the second wife to a much older man, but he soon rejected her. Within six months, Rihanna was married again. 'My second husband was 40 years old. He began beating me the day after the wedding.' After a week of marriage, she was so desperate that she tried to kill herself by drinking cleaning fluid. She survived and sought refuge with her family, but her brothers sent her back to her husband every time. 'My father died when he was still quite young and since then, my brothers have made all the decisions. We are poor and they never went to school. This is what poverty does to people,' she says.

After two months, she managed to escape. Her aunt took her in and at first, it seemed as though Rihanna could be a child once more. But her brothers found her. Her ordeal seemed never-ending. The police got involved, and finally, her luck changed when she was taken in by one of Yemen's two women's refuges. 'I have never been treated with such kindness in my life,' says Rihanna, and once again, her face is transformed by her smile.

A hidden women's refuge

Not even the neighbours know what is hidden behind the walls. 'The people here in the neighbourhood think that we are simply a women's training centre,' explains Jumana Salah Al Sarik, who manages the women's refuge. 'We offer sewing, computer and literacy courses to all the women in the district. So it's not obvious that for some of the women here, we are also a refuge.' Domestic violence is a major problem in Yemen. 'It's tradition. Many men regard the women in their family as chattels and think they can do whatever they like to them,' says Jumana Salah Al Sarik. 'The upheavals during the revolution and »

> MOROCCO, TUNISIA, EGYPT, JORDAN, YEMEN



An important donor community

Project: Cooperation with Arab Donors in the MENA Region

Commissioned by: German Federal Ministry for Economic Cooperation and Development

Overall term: 2009 to 2015

The Arab nations form an important part of the international donor community, funding around three quarters of development aid from non-DAC countries worldwide. The Gulf Cooperation Council countries have set up their own institutions to deliver development assistance to the Arab countries of the Middle East and North Africa (i.e. the MENA region) and to sub-Saharan Africa, South Asia and Central Asia. However, coordination between Arab and OECD-DAC donors remains weak and potential synergies are not being utilised. BMZ is therefore encouraging Arab donors to cofinance the German Government's ongoing projects and programmes or to commission GIZ directly and thus put cooperation between the Arab and DAC donors on a firm and sustainable footing.

GIZ and the Arab Gulf Program for Development (AGFUND), a multilateral organisation based in Riyadh, Saudi Arabia, are currently implementing joint projects in Yemen and Tunisia to give women access to microfinance products and health services, as well as providing advice for survivors of domestic violence. In Yemen, advanced midwifery training is being delivered, and in Egypt, Yemen and Morocco, GIZ, together with Qatar-based Silatech, is supporting a project to develop and promote the use of savings products geared to young people (see interview on page 37). In Jordan and Morocco, joint projects with the Islamic Development Bank are focused on rural development. The OPEC Fund for International Development provides cofinancing for BMZ-supported German-Arab Master's programmes in integrated water resources management. GIZ acts in a mediating and advisory capacity in initiating Arab donors' participation in German development projects and deals with contact and information management.

👉 www.silatech.com

👉 www.agfund.org

👉 www.ofid.org

👉 www.isdb.org

especially the poor economic situation have thrown many men into a state of crisis. They feel extremely unsettled so they cling even more desperately to traditional roles.’ At the same time, more and more girls are summoning the courage to run away and press charges against their abusers. The more public debate there is about these women, the more women will follow their lead, says Jumana. ‘It’s extremely important to give these girls a chance to start a new life. Otherwise, they’ll fall silent again,’ she says.

Rihanna shares a room with another girl, who is just 10 years old. This young girl was raped by her brother and then married off to a much older man. Like Rihanna, she managed to escape. ‘It’s very comforting to be with another girl who has suffered a similar fate. Together, we are stronger,’ says Rihanna. She relishes the opportunity to acquire new skills and is learning how to use a sewing machine. ‘I really enjoy crafts, but I’d like to do a computer course next as well.’

The women’s training centre is one of the many small but ambitious projects which support and provide training for survivors of violence in Yemen. Like many of them, it is supervised by Charlotte Burow, one of the coordinators of the ‘Cooperation with Arab Donors in the MENA Region’ programme implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (see box on previous page). Charlotte was able to secure the Arab Gulf Program for Development (AGFUND) as a partner and cofinancier for the project. AGFUND is a regional development organisation based in Riyadh, Saudi Arabia, and supported by the Gulf Cooperation Council countries. Cooperation with AGFUND is having a positive effect: with access to AGFUND’s additional sources of funding, the German Government’s development projects can extend their reach, and partners from the region can be more fully involved in the work. ‘We develop the project concepts together with the Arab donor organisations,’ explains Charlotte Burow. ‘The Arab partners’ proposals are very important to us, not least because they enable us to embed our



The Al-Amal Microfinance Bank has won many awards for its work, enabling large numbers of people to set up in business.

work more firmly in the region.’ The idea of providing microloans for female survivors of violence came from the Arab partner organisation.

99% pay promptly

With training and microloans, the women are able to earn a living, which does much to improve their status, not only within their own families but in society at large. Making an active contribution builds their confidence and empowers them to make changes in their lives. So far, more than 1,500 women in Yemen who have suffered domestic abuse have undergone training, and 85% of them are now earning their own living. The feeling of being accepted for a loan from a bank is a major motivating force. 99% of the women make their loan repayments on time. Many are sharing their new-

found skills with other women and girls in their families or neighbourhoods or are employing other women. And many are working in non-governmental organisations, particularly those helping women who are in the same situation as they once were themselves.

Charlotte Burow and her Yemeni colleagues Ahmed Al Zamzami and Miriam Al Futaih began working with women in Yemen a little over three years ago. ‘We wanted to do something for victims of violence, as we could see that there was very little support available for them. But we soon realised that they are quite hard to reach,’ explains Ahmed Al Zamzami. ‘Domestic violence is a taboo subject and very few women summon the courage to talk about it.’ So they began by providing support for women in the refuge. However, the number of women who make it to safety in a refuge is very low – just 40 in 2012.

‘We then started to work in the prisons,’ says Ahmed Al Zamzami. Many women in Yemeni prisons are not guilty of any crime but are victims of the country’s social conditions. As Ahmed Al Zamzani explains, it is by no means uncommon for rape victims, for example, to be charged with immoral conduct. There are also many women in prison who have completed their sentence but have been cast out by their families and are never taken home. ‘Together with the Yemeni Women Union, a local NGO, we offer these women legal advice. We also send trainers into the prisons to teach them sewing skills, for example,’ says Ahmed Al Zamzami. Ideally, they should have the chance to attend a business start-up workshop after their release.

This is where another offer from the joint project with AGFUND comes in: the women can apply for microloans to fund their business start-ups. Some of these loans are provided by the Al-Amal Bank, established in 2002 and also funded by the project partner. ‘Amal’ means hope. The Bank helps Yemeni women and men to take the first step towards starting up their own business. It operates on a non-profit basis but aims to be self-financing. ‘Just like other banks, we require our borrowers to meet certain criteria,’ says Al-Amal’s Executive Director,

» INTERVIEW

Facilitating access to finance



Justin Sykes is the Director of Microenterprise at Silatech in Qatar.

Silatech is one of GIZ's partners in BMZ's regional programme 'Cooperation with Arab Donors in the MENA Region'.

What are Silatech's goals?

Silatech is an international foundation established in 2008 by Her Highness Sheikha Moza bint Nasser Al Missned with headquarters in Doha, Qatar. 'Silatech' comes from the Arabic word 'sila', which means 'connection'. In Arabic, 'Silatech' means 'your connection'. We aim to connect young people in the Arab world with improved opportunities for employment, enterprise and civic engagement. The Arab world today has around 112 million young people between 15 and 29, but unemployment is higher than in any other region of the world. So our target group consists of young people in the 18-30 age bracket in the 22 Arab League countries. We fund projects that create jobs and opportunities for self-employment, support business start-ups, and improve access to financial products.

How relevant is access to banking services and savings accounts for young people?

For this target group, it is hugely important. Nine out of ten people in Arab countries are completely excluded from the financial sector and only 2% of young people have ever invested their money with a financial institution. As a result, they have nothing to fall back on during economic crises or when incomes are fluctuating. Because of the region's high unemployment, young people have no hope of finding regular jobs. Very often, their only option is to set up their own business. For that, they need capital, but in Egypt, Morocco and Yemen, only the financial elites have access to banking services. The banking sector must become far more responsive to the needs of society at large, especially young people. That needs to happen as a matter of urgency.

How is Silatech benefiting from cooperation with BMZ's programme?

Silatech is always trying to boost effectiveness in the use of its resources, and joint projects with partners who are pursuing the same goals are a very good way of achieving this.

Interview: Charlotte Burow

Mohammed Saleh Al Lai. For example, the women should be able to provide some form of security for the loan. Women like Rihanna, who have recently escaped from their families and are now trying to start a new life, rarely meet this criterion. 'So we cover half the risk and pay the often very high rates of interest,' says Charlotte Burow. Here too, cooperation with the project partner – one of the Bank's main financiers – has created important synergies.

The project in Yemen is constantly evolving. For example, over the coming months, there are plans to restart the training courses to sensitise the police and prison staff to the problems of women affected by violence. 'We have produced a manual together with the Interior Ministry and the police academy, and we are confident that the courses at the policy academy will soon become part of regular police training,' says Ahmed Al Zamzami.

The Arab Gulf Program for Development and GIZ are also working closely with the government's Women's National Committee. Various studies have identified opportunities to improve the advice given to victims of violence. As a result, there is now more intensive cooperation between the justice system, the police, non-governmental organisations and women's refuges. Women who are due to be released from prison can now be referred more easily to a women's refuge if they cannot return to their families. But there is still a lot to do, even on a very basic level: draft legislation on setting a minimum age for marriage that is supported by the Women's National Committee has been consistently rejected by Parliament. ■

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ACROSS NATIONAL BORDERS

Elephants are just one of the problems making life difficult for people in the Kavango Zambezi region. In an effort to identify transboundary solutions, 15 African countries formed the Southern African Development Community (SADC).

Text Philipp Hedemann



Foraging elephants can cause conflicts, so the conservation of these animals requires a transboundary approach.

> SOUTHERN AFRICAN DEVELOPMENT COMMUNITY



Towards balanced economic development

The Southern African Development Community (SADC) has been in existence since 1980, when it was formed as an alliance of countries known as the Southern African Development Coordination Conference (SADCC). Its transformation into the present-day SADC took place in 1992. The member states are Angola, Botswana, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

The regional organisation strives for politically stable, socially equitable and sustainable economic development in order to alleviate poverty in the region. Members have signed 27 protocols, in which governments commit to step up and strengthen their cooperation and promote good governance, peace and security. In 2008, 12 of the member states established an SADC free trade area. The principal executive institution is the SADC Secretariat, which is responsible for strategic planning and coordination of joint SADC programmes. It organises and manages SADC meetings, including the Summits of Heads of State or Government and the meetings of the Council of Ministers. Stergomena Lawrence Tax from Tanzania became the SADC's Executive Secretary in August 2013.

www.sadc.int

They came by night. They selected the choicest titbits and trampled the rest into the ground. The racket that Namibian farmer Peggy Tukahupwele made and the fire she lit to scare them off failed to impress them. By the next morning, Peggy was slumped exhausted by the embers of the fire. Yet again, she had been up all night, doing all she could to protect her crop, and yet again, the elephants had won. Peggy lives in the Kavango Zambezi region, the world's second-largest conservation area, which covers 444,000 square kilometres spanning Namibia, Botswana, Angola, Zambia and Zimbabwe.

The park is intended to attract tourists – and they love the pachyderms. Peggy, on the other hand, detests them – at least, when they destroy her maize crop. 'It's really much too early to harvest the crop, but unless I bring in the few remaining cobs now, the elephants will simply come back for the rest another night,' she says.

'As you see here in the Kavango Zambezi conservation area, elephants and other wildlife aren't bothered by invisible national borders,' says Martin Schneichel. Working on behalf of the German Federal Ministry for Economic Cooperation and Development

(BMZ), the graduate agronomist is an advisor to the Food, Agriculture and Natural Resources (FANR) Directorate of the Southern African Development Community (SADC, see box). The Directorate is a specialist department within the SADC Secretariat, based in Gaborone, the capital of Botswana. Martin Schneichel and his colleagues from the region are developing strategies to enable people and wildlife to coexist in peace, and to conserve and utilise the natural environment while combating poverty at the same time. 'And as the elephants show, this can only work if we adopt a transboundary approach.' »



The SADC members have been working together since 1980 in order to identify joint solutions to regional challenges and alleviate poverty through socially equitable and sustainable economic development. Having provided more than EUR 300 million for the SADC since 1995, Germany is its largest bilateral partner within the international donor community, focusing particularly on the conservation and sustainable use of natural resources, regional economic integration, transboundary water resources management, support for peace, security and good governance and strengthening the capacities and performance of SADC institutions.

Ecosystems under pressure

'More than half the SADC countries' GDP comes from agriculture, mining and forestry,' explains Martin Schneichel. 'But the ecosystems are coming under increasing pressure from rapid population growth, the expansion of farmland, and the impacts of climate change. For the communities in and around the national parks, there could be a future in ecotourism or in creating wildlife corridors, for example.' Southern Africa has a vast abundance of natural resources, including a network of powerful rivers. Martin Schneichel has to cross one of them – the Chobe – when he leaves Peggy

Tukuhupwele's devastated field of maize in Namibia and drives back to Botswana. The 1,500 km tributary of the Zambezi flows through Angola, Botswana, Namibia and Zambia. The rivers are both a blessing and a curse for the region, which is plagued by frequent droughts but also by floods. 'Almost all the major rivers in Southern Africa cross several national borders. The demand for water is increasing everywhere. Concerted efforts by the riparian states, with an emphasis on sustainable solutions, are essential in order to ensure equitable distribution of water resources,' says Thomas Schild. He heads a programme funded by BMZ, the Australian development agency AusAID and the UK's Department for International Development (DFID), which focuses on transboundary water resources management in the SADC region.

Whether the projects deal with conservation and sustainable use of natural resources, economic integration, water resources management or good governance, all Germany's programmes to support the SADC are about much more than just the technical issues. 'If we can bring the 15 SADC countries around the table to solve shared problems, such as the impacts of climate change and water resources management, this will yield a peace dividend which is almost impossible to quantify,' says Jochen Quinten, GIZ's Country Director in Botswana.

Despite the war-torn past, there have been no inter-state conflicts in the Southern African region since the SADC adopted its joint approach to problem-solving.

Gaps in the architecture

But the challenges are immense. All the SADC members are already suffering from the impacts of climate change. Reforestation programmes are important elements in combating this particular problem, but it is becoming apparent that the institutional architecture in the member countries is too weak to allow effective implementation of the agendas set by the SADC Secretariat and its specialist directorates. For that reason, all German programmes in the SADC include institutional and human capacity building and training components in the individual SADC states.

On behalf of BMZ, GIZ has been involved in the Southern African countries for many years outside the SADC context as well. Indeed, GIZ has been operating in Botswana for a good 35 years. When Botswana gained its independence in 1966, it was one of the world's five poorest countries. But then diamonds were discovered. Botswana is now one of the few African states to be classed as a middle-income country. There are significant gaps, however, in its system of vocational training. In recent years



1 Keneilwe Mpunga holds the dung left by elephants on her trampled field. She is now being trained to maintain a new electric fence. 2 Peggy Tukupupele and her son Mario spent the night out in the field to protect it from elephants. Her ambition is to become a safari guide. 3 Water-saving farming techniques in Botswana

there have been frequent complaints, particularly from the diamond industry, that many vocational school graduates are not appropriately skilled for the workplace, largely because they have not received relevant practical training. As

a result, the country has a high level of youth unemployment. 'In order to address the problem, Botswana has asked us to improve its vocational training based on Germany's dual system. The aim is for 'Trained in Botswana' to be recognised as a quality seal in the near future,' says Norbert Weiß, GIZ coordinator of the BMZ-funded programme Capacity Development to achieve the 'Botswana Vision 2016'.

genuinely helped the country to progress,' says Jochen Quinten. It's a view which is shared by the Government of Botswana. 'Germany has done much to support us, particularly in areas such as food safety, agriculture, water supply, health and energy,' says Keineetse Lepekoane, a Director in the Ministry of Finance and Development Planning. 'And that was very important in the early days. But the advice being provided in new areas such as vocational training is exactly what we need today.'

Peggy Tukupupele is hoping that she too will soon have a chance to undergo training in ecotourism. She would love to become a safari guide and show off her super-sized visitors to the tourists. All being well, instead of eating her out of house and home, these once unwelcome guests could soon be helping her to put food on the table. ■

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GERMAN SUPPORT FOR THE SADC

BMZ

- Transboundary water resources management
- Support for peace, security and good governance
- Strengthening the reform agenda and management structures of SADC institutions
- Transboundary use and protection of natural resources
- Strengthening the economic and trade policy capacities and performance in SADC

German Federal Foreign Office (AA)

- Support for the SADC Regional Peace-keeping Training Centre

BMU

- Development of integrated monitoring systems for REDD+ in the SADC region

Expanding the vocational training system

One person who will benefit is Omphile Godfrey Kgosimore. After a three-month crash course, the 22-year-old now works in the manufacturing operations of the Indian diamond company Shrenuj. 'At the moment, I'm doing my job as well as I can after such a short period of training. But I want to go on to train at the country's top-level, state-of-the-art vocational college and become a certified jewellery designer,' he explains proudly. In all, 20 German advisors from GIZ's Development Service are working in Botswana. Among other things, they are assisting the college with curriculum development. Half the costs are covered by the Government of Botswana. 'It is a great accolade that the government is prepared to pay for our services. It shows that the work that we have done here over the past few decades has

MEASURING SUCCESS

Evaluations are a way of ensuring that GIZ monitors its performance, with 70% of recently evaluated projects receiving a rating of 'good' or higher. The process also provides GIZ with the information it needs to make its work even more effective.

Text Marie-Josephine Keller

Illustration Denise Graetz

It was Confucius, in his wisdom, who famously remarked that 'anyone who has made a mistake and doesn't correct it is making another mistake'. And that's something that GIZ is keen to avoid – by monitoring and evaluating its projects. The key question, in every case, is this: 'How effective is our work? What results are being achieved both in the short and the long term?' For GIZ, the word 'results' means the changes that can plausibly be attributed to a project or programme.

Knowing what works

Evaluations enable GIZ to find out about the successes it has achieved, where problems are occurring, and where improvements need to be made. The assessments directly feed back into its work.

Another important argument in favour of evaluations is that GIZ works mainly on behalf of public sector clients, from the German Fed-

eral Ministry for Economic Cooperation and Development (BMZ) to the Federal Foreign Office and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), which means that it is delivering projects paid for by the taxpayer. It therefore has a responsibility, not only to the commissioning parties but also to the general public, to manage these resources with particular care. 'Publishing the findings of the evaluations ensures the requisite transparency and shows that our work is delivering results,' says Martina Vahlhaus, who heads GIZ's Monitoring and Evaluation Unit.

The company makes a basic distinction between two types of performance monitoring: decentralised and central evaluations. Decentralised evaluations are commissioned and managed by the operational units that are responsible for the individual project or programme, with data being collected by experts who were not involved in planning or implementing the project. The purpose of decentralised evaluations is to identify project pro-

cesses which can be improved and to initiate learning effects. As a rule, they take place at the end of a project phase so that lessons learned from the data can be utilised during the next phase.

Central evaluations, on the other hand, are the responsibility of the Monitoring and Evaluation Unit, which engages external research institutes or consultancies to perform the evaluation. The results are collated at the end of the project and mainly serve as information for the commissioning parties and the general public.

Both types of evaluation are initiated by GIZ. However, some assessments are initiated by an independent institution – the German Institute for Development Evaluation (DEVal), founded by BMZ in 2012. The institute's main purpose is to provide independent evaluation of the performance of all German development cooperation measures for which BMZ is responsible. It therefore evaluates not only GIZ and KfW, as official implementing organisations, but also non-governmental and church-based organisations such as Misereor and Bread for the World. DEVal performs its

analyses on an independent basis, investigating specific topics in development cooperation and producing summarised evaluations of various project activities over a longer timeframe. At present, for example, it is analysing the effectiveness of German-Rwandan cooperation in the health sector over the past 30 years. Besides Germany, only Sweden and the United Kingdom have similar independent evaluation institutes at the national level.

Measuring – Assessing – Making improvements

Every two years, GIZ produces an evaluation report, and 2013 was no exception. This year's report, entitled Measuring – Assessing – Making improvements, turns the spotlight on three topics: vocational education and training, human capacity development, and crisis prevention and peacebuilding from 2010 to 2012. GIZ arranged for the evaluation of a total of 227 measures and included both ongoing and completed projects. The following key questions were addressed in the report: Have the projects/programmes achieved their objectives? And how sustainable are the results beyond the end of a development measure? Two thirds of the projects/programmes received good ratings; 3.4% of projects/programmes even achieved a very good rating. This means

that 70% of the evaluated measures achieved a rating better than 'satisfactory'.

The evaluations in the crisis prevention and peacebuilding sector showed that the projects helped reduce violence, promote peaceful coexistence and improve local people's living conditions. In crisis regions, a combination of economic and social measures has proved its worth.

This was certainly the case in Sierra Leone, for example, where GIZ and KfW, on behalf of the BMZ, have supported the reintegration of ex-combatants into the economy and society. With notable success: the project has promoted reconciliation between the various social groups and helped to safeguard peaceful social relations. Five years after completion of the project, the evaluation therefore gave it an overall rating of 'good'. Around 90% of the ex-combatants were still living peacefully in the communities. The original goal was to reintegrate 75% of the ex-combatants over the long term.

Evaluation proves its worth

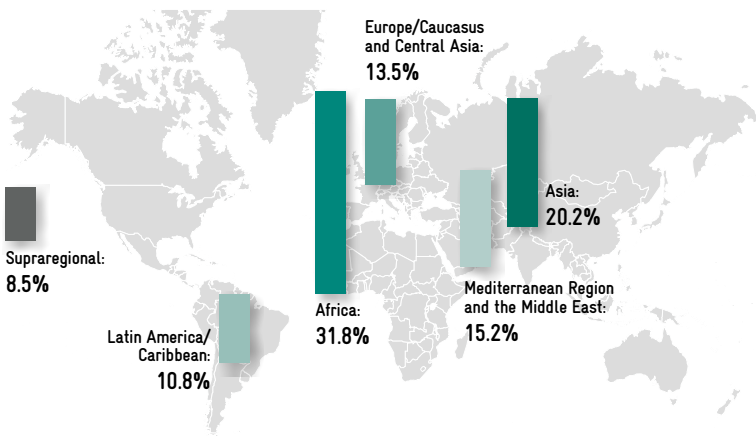
In crisis prevention and peacebuilding in particular, external factors, such as the political conditions, are key determinants of a project's success. As Martina Vahlhaus points out, this makes it particularly difficult, but all the more important, to calculate risks and formulate re-

alistic objectives. If a project is embedded at the local level, it is unlikely to achieve any visible improvements at the national level. But what happens if a project is rated 'unsatisfactory' even if it is carefully prepared? Then it is a matter of initiating a learning process across the team and identifying ways of ensuring that the mistakes are avoided in future.

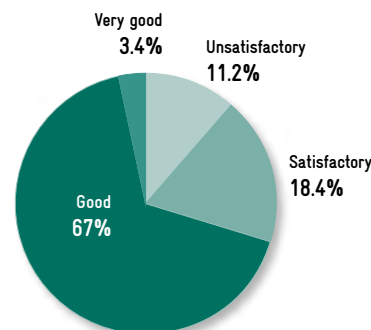
'With the evaluations, we are holding up a mirror for project managers,' says Martina Vahlhaus. 'But identifying the weak points doesn't solve the problem. What is important is the process that starts after the evaluation.' The evaluations are an essential basis for moving forward. ■

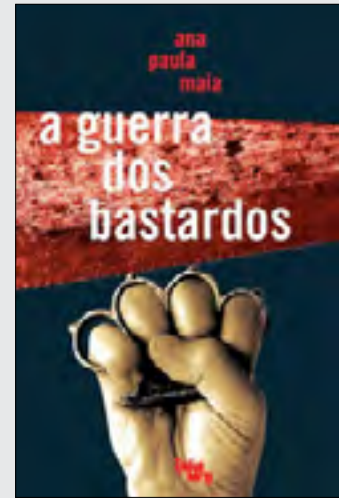
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 ☞ The report Measuring – Assessing – Making improvements can be downloaded at www.giz.de/en/mediacenter/annual_report.html.

REGIONAL DISTRIBUTION OF EVALUATED PROJECTS



OVERALL RATING OF EVALUATED PROJECTS





> PHOTO EXHIBITION

Reconciliation

GIZ'S PHOTOGRAPHY WORKSHOP EXHIBITION 2013

International cooperation is mostly about looking ahead, keeping a close eye on new technologies, emerging business sectors and sustainable solutions. But to what extent can dealing with a country's past also play a role in its sustainable development? Six photographers from Mongolia, Hungary, the Palestinian territories, Kosovo, Mali and Germany spent a week exploring the theme of reconciliation in Pristina, the capital of Kosovo. Their powerful images demonstrate how individual artists grapple with reconciliation and spark debate on future developments. GIZ's photography workshop complements the '1914 – World in

Colours' exhibition, which features colour photographs from Albert Kahn's 'Archives de la Planète' collection and also documents and preserves past cultures in a plea for reconciliation and peace.

Exhibition: 28 November 2013 until
9 February 2014

Venue: LVR LandesMuseum Bonn,
Colmantstraße 14-16, 53115 Bonn, Germany

👉 www.rlmb.lvr.de

> RECOMMENDED READING*

A Guerra dos Bastardos

Ana Paula Maia, Brazil

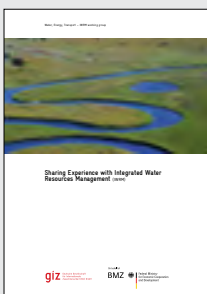
Not available in English.

A seasoned literary take on the absurdities of life in the guise of a comic crime novel. *A Guerra dos Bastardos* is a pacy, weird and witty tour de force, with an obsession for obscure detail, tasteful in places, less so in others, that takes us on a whirlwind tour of everyday Brazil featuring porn stars, drug dealers, terrorists, ordinary screwballs and lots of heat. Top-level entertainment.

Thomas Wörtche, literary critic

GIZ PUBLICATIONS

These publications can be downloaded or ordered free of charge from www.giz.de/publications.



Sharing Experience with Integrated Water Resources Management

Available in English.
Mathias Polak

Since 2010, a GIZ working group has been compiling experiences on the implementation of water management strategies in Africa. The objective is to create a platform for exchange and filter

out proposals for particularly sustainable solutions, as well as to simplify and promote transnational learning processes. The brochure systematises projects from ten countries.



TVET for a Green Economy

Available in German and English.
Klaus-Dieter Mertineit

Those who fail to learn the importance of environmental and sustainability aspects in professional life during their training probably never will. But environmental protection – and the extent to which it has a role to play in training – is regarded and interpreted very differently in various countries around the world. This comprehensive report provides an overview of international concepts for 'green qualifications', with a special focus on Germany.



> RECOMMENDED READING*

K

Bernardo Kucinski, Brazil
Translated from the Portuguese by Sue Branford.

South American literature is obsessed with the themes of military dictatorship and the 'disappeared'. For hopeful refugees having just fled Nazi Europe, this period was doubly harrowing. Kucinski's angry, intense narrative brilliantly depicts such a Brazilian nightmare, with its perennial links to power, torture and misogynous oppression.

Thomas Wörtche, literary critic



> RECOMMENDED READING*

Near to the Wild Heart

Clarice Lispector, Brazil
Newly translated from the Portuguese by Alison Entrekin.

Clarice Lispector (1920–1977) was once the grande dame of Brazilian literature – and yet she remains relatively unknown. Reason enough to rediscover her through her poetically original debut novel – an autobiographically nuanced survey of the spectrum of female emotions, from childhood to womanhood, now available in a revised translation.

Claudia Kramatschek, literary critic and arts journalist



> RECOMMENDED READING*

Mamma, Son Tanto Felice

Luiz Ruffato, Brazil
Not available in English.

This is the first in Ruffato's cycle of five novels entitled *Inferno Provisório* (Temporary Hell). In a depiction of never-ending hell, the author documents the experiences of the Brazilian working class, migrants and coloured people. It makes for painful reading. Ruffato touches the open wounds of Brazilian society, the racism and the ever-present violence.

Ruthard Stäblein, cultural editor

* 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 best new novels. www.litprom.de



Contract farming handbook
Available in English.
Margret Will

The brochure is intended as a guide for small farmers who would like to establish contact with potential buyers for their products and become contract farmers. It provides practical guidelines for identifying areas that may be suitable for

contract farming and for drawing up business plans. The handbook also puts an end to the widespread belief that contract farming is doomed to failure in crisis regions.



Migration of experts as perceived by partner countries

Available in German. Patricia Gehrlein, Mischa Skribot, Dita Vogel, Anna Wittenborg

An exodus of experts – particularly in the fields of health, mathematics and technology – can present serious problems for developing countries and emerging economies. On the plus side,

benefits include continuing education and foreign currency flows. The brochure documents the series of forums organised by BMZ in 2012 to explore potential solutions to this problem.

JOHANNA KNOESS

POLICY ADVISOR

'SOCIAL SECURITY SYSTEMS must protect poor social groups, above all, from the risks associated with illness, unemployment and old age,' says Johanna Knoess. A political scientist, she has headed one of GIZ's worldwide advisory programmes since April 2013 and, on behalf of the BMZ, is working with her colleagues on developing innovative models for sustainable and inclusive social security systems. Johanna Knoess is a true cosmopolitan: her family originally comes from Ethiopia, but she grew up in Germany and has worked for GIZ in Indonesia, where she advised the government on the implementation of social reforms. 'We had to mediate between five ministries and coordinate work with other international donors as well,' she recalls. It was during this time that she met her partner. 'He's an American and works for the World Bank. We're now living in Germany but we can certainly envisage moving overseas again,' says Johanna, who is expecting her second child. As well as spending many years with GIZ, she has worked for organisations such as the World Bank, the International Labour Organization and the Association of Southeast Asian Nations (ASEAN).

Text: Sofia Shabafrouz **Photo:** Donald Bason

👉 GIZ is always on the lookout for social security experts.

For more information about careers with GIZ, please visit www.giz.de/en/html/jobs.html

AUTHORS AND PHOTOGRAPHERS FEATURED IN THIS ISSUE



JÖRG BÖHLING is a photojournalist who specialises in development policy, agriculture and the environment. He travelled to Xi'an, China (page 28).



THOMAS ECKE is a freelance photographer in Berlin. He photographed Lucia Reisch (page 26).



JULIA GERLACH is a journalist and author. She has been reporting from Cairo since 2008 and visited the business start-up project in Yemen (page 34).



DENISE GRAETZ, a communications designer, illustrated IN FOCUS (page 12) and BACKGROUND (page 42). www.denisegraetz.de



PETRA HANNEN is an expert in consumer affairs and resources. She explored trends in sustainable consumerism and corporate responsibility (page 12).



PHILIPP HEDEMAN is an expert on Africa. In this issue he reported on the Southern African Development Community (page 38).



MARIE-JOSEPHINE KELLER works in GIZ Corporate Communications and wrote about evaluations (page 42).



SINAN SAT works for the newspaper Westdeutsche Allgemeine Zeitung and travelled with the business delegation to Siberia (page 8).



SOFIA SHABAFROUZ, a member of the akzente editorial team, wrote the profile of GIZ policy advisor Johanna Knoess (page 46).



THOMAS VESER is a member of Pressebüro Seegrund based in St. Gallen. He wrote about transparency in the Democratic Republic of the Congo (page 30).



TRISTAN VOSTRY is a freelance photographer and filmmaker. He accompanied the BMWi business delegation to Siberia (page 8). www.tristanvostry.com

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akzente was honoured with a Silver Fox Award in 2013 and 2012 and a Gold Mercury Award and a Gold Fox Award in 2011.



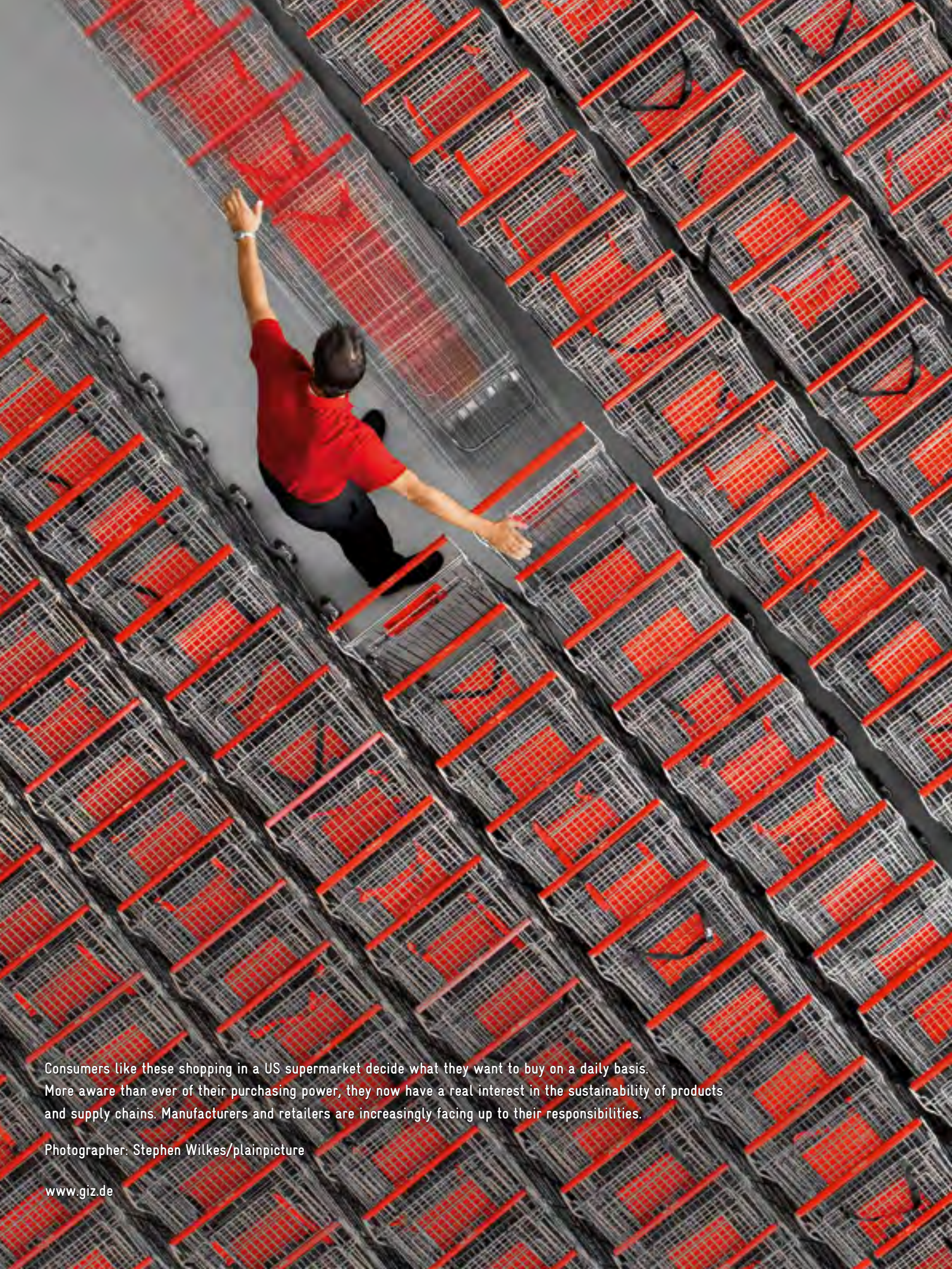
PREVIEW

akzente issue 01/2014

SPORT AND DEVELOPMENT Sport is about more than fun and games. It provides a basic education, teaches peace, supports women, prevents violence, promotes health and economic growth – in short, sport offers the perfect framework for conveying socio-political mes-

sages. And in developing and emerging countries, in particular, major sporting events like the Olympic Games or Football World Cup can be anchors and levers for political and economic development.





Consumers like these shopping in a US supermarket decide what they want to buy on a daily basis. More aware than ever of their purchasing power, they now have a real interest in the sustainability of products and supply chains. Manufacturers and retailers are increasingly facing up to their responsibilities.

Photographer: Stephen Wilkes/plainpicture

www.giz.de