

Background Note on Germany's Development Policy Priorities

The German government has improved the coordination of its development policy in recent years, thus contributing to more coherence, effectiveness and efficiency. German development cooperation is now increasingly focused on thematic priorities and fewer countries (down to 50 from over 120 at the end of the 1990s). In order to overcome the causes of poverty, and to facilitate sustainable global development, German development policy is prioritizing key strategic sectors, including good governance, education/training, health, rural development, climate protection, environmental protection and resource management and economic cooperation.

To promote good governance, Germany has given priority to the cluster “democracy/ civil society/public administration” and has partnered with 30 countries to focus on public institutions, civil society and media. As education is a key to overcoming poverty, the Federal Ministry for Economic Cooperation and Development (BMZ) has a new strategy entitled *Ten Objectives for More Education*, which encompasses all sectors of education. Germany's health strategy is focused on strengthening health systems in the countries with which it cooperates. Integrated measures to promote child and maternal health and to combat HIV/AIDS are particular priorities. In order to promote sustainable economic development, Germany aims to put in place a more enabling environment for private sector engagement and partnerships between governments and businesses in the countries with which it cooperates. With regards to rural development, agriculture and food security, the German government has created two new development strategies: *Rural Development and its Contribution to Food Security*, and *Promoting Sustainable Agriculture* in order to safeguard water, food and energy security through a nexus approach. Germany is also supporting developing and emerging countries' efforts to reduce their greenhouse gas emissions and adapt their development processes to climate change. Germany's financial commitment to climate change mitigation and adaptation has doubled in recent years, from 700 million euros in 2008 to 1.4 billion euros in 2012, making Germany the world's second largest donor in climate finance. Additionally, Germany provided a total of 500 million euros towards global biodiversity conservation in 2011 and pledged to make 500 million euros a year available for the conservation of ecosystems and forests worldwide beginning in 2013. The German government is also committed to promoting entrepreneurial activity and investment within its development policy framework, and to strengthening the linkage between foreign trade and

development cooperation. German development policy has redefined its relationships with newly industrializing countries, mainly focusing on joint efforts to protect global public goods, such as the climate and environment, economic stability and the control of trans-boundary infectious diseases. In particular, the German government has sharpened its thematic focus with various regions, with Africa receiving particular support.

Germany's Official development assistance (ODA)

While Germany was one of the largest official development assistance (ODA) donors by volume in 2012, aid flows as a percentage of GNI suffered a second consecutive year of contraction in 2012. Germany's ODA/GNI ratio was 0.38% in 2012, down from 0.39% in 2011 and well below the EU intermediate target of 0.51% set for 2010. Within the DAC, Germany stood 12th in terms of its ODA/GNI ratio in 2012. Germany remains committed to the EU target of giving 0.7% of GNI as ODA by 2015. 69 per cent of Germany's aid was allocated to economic infrastructure, education, health and population, and other social infrastructures.

Preliminary data for 2012 show that Germany's bilateral programme totalled USD 8.72 billion, while USD 4.38 billion – down from USD 5.61 billion in 2010 – were channelled to multilateral organisations. With the reduction in its allocations in 2012, Germany fell from first to third largest contributor of multilateral ODA in the world. Germany's country programmable aid (CPA) amounted to USD 5.4 billion in 2011, or 53% of its gross bilateral ODA.

While historically Germany has focused its development co-operation on middle-income countries, it is now allocating more resources to lower-income countries and LDCs to better reflect its overarching poverty reduction objective. While the amount of Germany's gross ODA allocated to LDCs increased from USD 1.78 billion in 2010 to USD 1.97 billion in 2011, the share was maintained at 19% of gross ODA.

Post-2015 development agenda

The German government has stated that 2015 is a crucial year for the global community and it is essential to reach a joint understanding on a global agenda for the future that will further develop the Millennium Development Goals, asserting the need to establish an ecological and social market economy. The German government has also stated that a

business-as-usual approach cannot continue if the global community wants to meet the challenges of the 21st century, declaring that putting an end to poverty and hunger, to disease and pandemics, is possible and that sustainability must be the principle which drives all development. A new agenda must build on the success of the Millennium Development Goals but also go beyond them to include social issues, for instance the inclusion of people with disabilities, and the problems of climate change. The German government also noted that it is desirable to define a relatively small number of goals that are easy to understand and measurable but also reflect the three dimensions of sustainable development – social, economic and environmental – as well as peace and security.