

National Report to the Sixteenth Session of the Commission on Sustainable Development

Part I: Updated Information on National Focal Point for Sustainable Development

National Focal Points

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Part II: National Reporting

A. Africa

National policy framework to support sustainable development in Africa

In 2003, Germany started to reassess its Africa policy and support for Africa. This move was based on the Action Programme 2015, which summarizes the German contribution to halving poverty by 2015, and on the German plan for implementing the G8 Action Plan for Africa, which was finalized in Kananaskis in 2002. Apart from poverty reduction, Germany's goal is to support successful initiatives in Africa so as to develop democracy, the rule of law and sustainable economic development on the African continent. Peace and security, good governance, trade, debt relief, health, education, agriculture and water are the eight sectors of the recent G8 Action Plan for Africa which are all supported by the Federal German Government. A special focus of German policy is on strengthening responsible governance, supporting peace and security, promoting sustainable growth, health and education, especially basic education and HIV/AIDS prevention, and on managing natural resources, particularly with regard to climate change and cooperation in the water sector.

In order to achieve its policy targets, Germany cooperates on three levels:

- direct cooperation with its African partners; at present Germany grants bilateral support to 30 countries;
- on the multilateral level; i.e. within the framework of international funds, initiatives and institutions, such as e.g. the World Bank and the European Development Fund;
- on the global level, e.g. with the World Trade Organization (WTO)

A goal of the German Government as a member of the donor community is to intensify aid coordination and to design development cooperation as effectively and efficiently as possible. In HIPC countries, coordination within the donor community focuses predominantly on joint support for the implementation of national poverty reduction strategies (PRSP, Poverty Reduction Strategy Papers) designed by the partner side. Key restraints on development are analyzed and aid strategies for the most critical sectors and important fields of action elaborated e.g. with regard to education, health or trade.

There is wide consensus within the international community that joint contributions to these programmes and activities should be made available through the national budgets of the partner countries and be managed by them. The German contribution is made in coordination with other donors and based on an agreed and monitorable target system. In addition, there must be evidence that this financial support has been spent in a transparent and appropriate way. In order to ensure that capacity keeps pace with the new challenges resulting from increasing aid, and to assure progress towards sustainable development and poverty reduction, Germany supports the partner countries in their processes of capacity development.

German commitment in Africa includes participation in multilateral initiatives and funds, e.g. with UN organizations, the World Bank, the European Development Fund or the Global Fund for Combating HIV/AIDS, Tuberculosis and Malaria. Altogether, the German Government earmarks more than EUR 1 billion annually for cooperation with multilateral organizations. Within the scope of multilateral development cooperation, Germany supports a coherent development policy, especially with regard to issues and challenges of international trade (e.g. dismantling of custom duties and subsidies in the agricultural sector). It demands that all programmes and economic policy recommendations (e.g. concerning the liberalization of capital and financial markets, privatization, or the design of tax and expenditure policies), especially

those by the World Bank and IMF, respond more flexibly to the ongoing situation in the various developing countries and focus more on PRS processes.

The German Government-supported EU initiative “Everything but Arms” is an important step forward in terms of improving trade conditions for poor countries. This initiative enables Least Developed Countries (LDCs) to export all their products with the exception of arms to EU countries - staggered over time - without any customs duties.

Another example of German multilateral support is the reform of the European cotton regime. The current subsidisation policy of some industrialized countries causes an annual loss of income of about US\$ 300 million to cotton producers in African developing countries. Therefore, in support of an initiative launched by four Western African countries, Germany has undertaken initial steps to dismantle subsidies in the cotton sector.

Germany’s EU Council Presidency (Jan-June 2007) and G8 Presidency 2007 made it clear that the partnership with Africa is a top priority of German politics. Negotiations on Africa between the Heads of State and Government at the G8 Summit in Heiligendamm focused on continuing the reform partnership launched in Kananaskis in 2002. The main topics on the agenda were good governance, sustainable investments, fighting HIV/AIDS, tuberculosis and malaria, and promoting peace and security.

In addition to multilateral initiatives, German bilateral cooperation has been refocused, and “classical” project work more keenly profiled and reoriented. Through to the end of the 1990s, the German Government supported about 120 countries with bilateral ODA. In order to improve donor harmonization and strengthen sector support and thus increase aid effectiveness, it was vital to adapt bilateral cooperation. Therefore, in close coordination with the international donor community and its African partners, German cooperation focused its development policy on selected partner countries and on selected sectors (see Annex 1).

Germany’s strategic orientation with regard to its partnership and cooperation with sub-Saharan Africa is described in the BMZ policy paper of January 2004 “New political dynamics in Africa”. This paper represents a reform agenda whose aim is to increase the impact of development cooperation.

During recent years, approximately one third of German ODA has gone to programmes and policies that have proven effective in reducing poverty in Africa. The volume of aid has increased considerably. Germany is currently increasing its ODA to EUR 750 million per year, with the majority going to Africa.

Box 1: Issues and challenges in Africa

- Every second individual has to live (survive) on less than one US\$ per day;.
- 32 of the 38 most highly indebted countries are in sub-Saharan Africa;
- About 30 million persons are infected, or have fallen ill, with HIV/AIDS;
- There are still eleven military conflicts on the continent at present;
- More than a third of all children do not attain a primary school certificate;
- UNICEF estimates that the number of HIV/AIDS orphans will increase to 20 million individuals by 2010;
- More than 12 per cent of the world’s population lives in Africa. However, the African share of world trade does not reach even two per cent;
- Even though there are certain successes that are distributed unequally across the various countries, taken together sub-Saharan Africa would be unable to reach the MDGs.

Challenges:

- Good Governance (on all levels);
- Peace-keeping and conflict prevention, implementation of human rights (especially for women and children);
- Social market economy and sustainable basic conditions for the private economy (including agriculture and support for rural development);
- Human investment, likewise investment in education, health, and food security;
- Upgrading of infrastructure (water and sanitation, roads, energy - including renewable energy);

- Environmental and resource protection;
- Prevention of and fight against HIV/AIDS as a central cross-cutting exercise.

Poverty reduction

Development in strategies and policies; programmes and policies effective in reducing poverty

Within the framework of the debt relief initiative (HIPC and Cologne process), Germany contributed more than EUR 1 billion to sub-Saharan African countries in 2002 and 2003 alone. This opened up opportunities to regroup financial resources for poverty reduction in the national budgets. In the 23 African countries whose debt was cancelled, spending on poverty reduction (e.g. in the education and health sector) increased from an annual US\$ 4.1 billion (1999) to US\$ 8.4 billion (2004). The share of poverty reduction-oriented expenditure in the general public budget went up from 38 per cent in 1999 to approximately 48 per cent in 2004.

Sub-Saharan African countries are still dependent on bilateral cooperation. Evidence from aid monitoring has shown that Good Governance and the political participation of all stakeholders (especially of civil society) is the key to the responsible design and implementation of sustainable development and for a successful poverty reduction policy. Consequently, Good Governance is not only a prerequisite for sustainable development but a most essential part of the development process itself.

To have Good Governance, a state or statesmanship must exist and a minimum of public security be ensured. Important elements of Good Governance are:

- accountable execution of political power by the state, participation by the civil population (including ethnic and other minorities) in political processes, respect for political and civic human rights;
- efficient public institutions and responsible usage of public resources by the state (finances and natural resources), transparency and accountability;
- rule of law and predictability of legal decisions;
- reconstruction of governance structures in post-conflict states.

German development cooperation supports African progress towards more political participation and control, self-responsibility and transparency. In addition to targeted projects and programmes in support of Good Governance, Germany has also mainstreamed governance aspects as a cross-cutting theme within other sectors and measures. Here, German cooperation is directed mainly towards two priority areas:

- support to reforms related to governance, and
- promotion of decentralization.

Germany supports its African partner countries in their efforts to establish efficient local and regional administrations equipped with decision-making competence and replete with budgets facilitating development on-site and ordinary, everyday democratic life. It is obvious that the decentralization of political decision-making processes enhances democracy and strengthens governance on the overall state level. A precondition for this is that structural change is also promoted at the central state level (e.g. decentralization of fiscal matters also). Thus, the reform process has to be double tracked, locally/regionally and on the central level.

The promotion of participation in decision-making processes is based on the fact that the poor and the rural population must also be given an opportunity to voice their needs and development priorities. Indeed, policy implementation must always respect their interests (*empowerment of the poor*).

Economic growth reduces poverty only if the poor profit from it clearly and if more people are integrated into productive employment. Pro-Poor-Growth (PPG) is a strategic approach

whereby economic growth is specifically used to reduce poverty. The focus is on promoting the economic potential of the (extremely) poor and disadvantaged. PPG is a pivotal reference point of German development policy. German bilateral support to sub-Saharan Africa focuses on three topics:

- an enabling environment for sustainable economic development;
- financial systems development, and
- agribusiness development.

The agricultural and food sector is the most important sector of the economy in sub-Saharan Africa in terms of the number of people employed, turnover, food supply, and exports. In many cases, only few of the growth opportunities which would arise in many African countries if national and international marketing of agricultural products, including renewable resources, were stepped up are actually harnessed. This is due to an unfavourable sector environment (e.g. corruption, unreliable taxation policies, uncertain property and usufructuary rights, trade barriers and market distortions, inefficient market structures) and insufficient availability of services that are responsive to enterprises' needs. It is also due to a weak entrepreneurial culture and, as a consequence, to a low level of sector organization, as well as insufficient awareness regarding the implementation of quality, social and environmental standards, and, last but not least, to "fault lines" in the value chain.

German development cooperation is helping to comprehensively improve the market-oriented production, processing and marketing of agricultural goods suitable for integration into a competitive system. The goal of development cooperation is to enhance private investment and competitiveness in the agricultural sector whilst taking account of international standards, thereby generating more income and employment for poor people in particular.

At the micro and meso levels, development cooperation activities are aimed at value chain development by means of fostering services that are responsive to enterprises' needs and that operate on the basis of cost recovery if possible. The services in question relate to connecting (small-scale) producers and processors to markets (for instance through contract growing, technology transfer, market information systems) and building the capacity of governmental and private service providers to advise private enterprises, cooperatives and federations, for example on the implementation of social, quality and environmental standards.

Activities at the macro level seek to generate an environment conducive to a competitive agricultural sector (tax and investment legislation, competition law, ownership legislation, reduction of inefficient state shareholdings, policy coherence). In the area of trade policy, development cooperation provides support, with a view to creating, regulating and using trade options in national, regional and international markets. During the German G8 Presidency 2007, special measures were driven forward to improve infrastructure and enhance regional cooperation with Africa and in the financial sector. This included the establishment of a regional microfinance fund, which will also serve to promote the economic independence of women.

Box 2: Country study Mozambique

Mozambique is a partner country of German development cooperation in which more than two thirds of the population live below the national poverty line; most of them from agriculture. The country is extremely vulnerable to floods and droughts at all times. However, during recent years Mozambique has steadily made progress, thanks to a most remarkable peace and democratization process which has been accompanied by considerable economic success and a clear orientation of national policy towards poverty reduction as the most important challenge for the country. In September 2001 Mozambique was the third country worldwide able to profit from the HIPC debt relief initiative. The Poverty Reduction Strategy of Mozambique provides the framework for joint support by the various donors. German bilateral development cooperation, which since 2001 has concentrated on the three provinces of Manica, Sofala and Inhambane, is also aligned with the strategy. Three sectors are supported: 1) primary and vocational education, 2) economic reform and the establishment of a social market economy, and 3) rural development. In addition,

due to the fact that HIV/AIDS affects about 13 per cent of the entire population, HIV/AIDS prevention and contributions to gender equality have particular importance as cross-cutting issues.

Mozambique has made remarkable progress in the health and education sectors. For example, the rate of school enrolment has increased from 40 per cent in 1995 to 60 per cent in 2001, and the rate of infant mortality decreased from 240 per thousand in 1990 to 205 in 2000.

From 1987 until the end of 2002, the Federal German Government has provided more than EUR 661 million in bilateral cooperation to its African partner country. In 2003, this figure was about EUR 52.2 million.

Empowerment of the poor, women, and indigenous people

The German Government endorses attempts to fit all elements of broad and sustainable economic growth and the attendant empowerment of disadvantaged population groups (MDGs 2-6) into a tailor-made strategy. Germany is convinced that strategies targeting poverty reduction and economic growth and other reform processes are the responsibility of the partner countries and should predominantly be promoted by these countries themselves. Therefore, BMZ supports the participatory formulation, implementation and evaluation of national Poverty Reduction Strategies through a large number of bi- and multilateral projects and programmes, and increasingly aligns all development activities with partner countries' strategies and priorities. Since their inception through the Cologne debt relief initiative of 1999, PRSPs have also become the central instrument for translation and implementation of the MDGs 1-7 in the countries concerned.

For German development policy, gender equality is a key factor when it comes to reducing global poverty. On the one hand, Germany has mainstreamed gender (MDG 3) as a cross-cutting theme in all its concepts and activities, whilst also supporting inter alia the legal, social and political position of women through development cooperation activities. This policy has been established among other sources in the "Entwicklungspolitischer Aktionsplan für Menschenrechte 2004-2007" ("Development Action Plan for Human Rights 2004-07") and in the BMZ Gender Concept of 2001.

Gender equality has progressed somewhat with regard to education and labour. And although equal relations between the genders have not been established as yet, considerable progress has been achieved within the primary education sector, for example. In sub-Saharan Africa today, some 82 per cent of all girls attend a primary school. With regard to the enforcement of women's political rights, progress is much slower, partly due to the extremely low starting point.

The Action Programme 2015 of the German Government, too, views gender equality as the key factor in poverty reduction. In accordance with the international discussion, Germany makes use of the Dual Track system. First, gender mainstreaming ensures that the needs of women and men, which often vary greatly, are taken into account within all fields of activities and in all types of projects (from planning up to the evaluation). Secondly, targeted activities to promote women in development are necessary in order to abolish ongoing gender-specific discrimination in society, politics and the economy.

As a consequence, the German Government supports partner-country projects focusing on women, with a view to:

- generating equal access to resources such as land and capital;
- enhancing the political influence of women;
- equalising their legal status and
- overcoming violence against women and girls.

Bilateral cooperation emphasises legal and social consultancy for women, lobbying and the networking of women's NGOs, the enforcement of women's rights, measures to combat traf-

ficking of women and violence towards women. On the global level – e.g. by supporting UNIFEM or the OECD/DAC Gender Network – Germany mainly encourages improvements in women’s legal situation.

National PRSPs are an important framework for German engagement in the field of gender equality in its partner countries. The German Government has provided special budgets for some partner countries so as to emphasize the gender dimension in PRSP.

Equitable access to education and health

To improve the pro-poor opportunities for social participation and self-determination, the Federal German Government supports social service delivery in the education and health sectors. In addition to improving vocational education, bilateral development cooperation also aims to improve primary education (MDG 2).

German support within the multilateral “Education for All – Fast Track Initiative” (FTI), which integrates all relevant bilateral organizations with the World Bank, UNESCO and UNICEF, concentrates on those partner countries in which primary education already constitutes an agreed emphasis of bilateral agreements (Mozambique and Guinea). In addition to the FTI, primary education is also emphasized in German cooperation with Malawi.

To give girls especially broader access to education, German bilateral aid supports inter alia the following initiatives:

- introduction of incentive systems (safe schools, medical care for school children, and health education, provision of school equipment for children, various types of support/subsidies for education such as autonomous school funds, credit notes for education, scholarships for pupils),
- sponsoring participation by parents and the communes in school development and the legal form of schools (communal or state schools).

Box 3: Malawi: Reading, writing, counting – and a warm meal

In Malawi only 80 per cent of children attend school, and about 35 per cent successfully complete the 8 years of primary schooling. The international goal of “Universal Primary Education - UPE” may be out of reach. One of the reasons for this is the weakness of the primary education system: the quality of the teaching is poor, and the primary school teachers are not satisfactorily trained for their task.

Management of the education system is also inadequate; contents and methods of teaching are outdated, and there is a general lack of books and other teaching materials. Many children in Malawi do not have an opportunity to attend classes, or have to repeat certain classes or drop out of school due to socio-economic reasons: hunger, long journeys to school, the presence of diseases such as HIV/AIDS and malaria make school attendance virtually impossible. Many children also have to work to generate income for their family. Girls are additionally hindered by cultural factors, such as early marriages.

Germany is helping the Government of Malawi to improve the quality and efficiency of education. The planned German contribution to the ongoing phase (2005 to 2007) is EUR 18.1 million. Pupil- and child-centred curricula have been developed along with the relevant learning materials. Alongside reading, writing and counting, the focus is on addressing everyday issues, including HIV/AIDS prevention.

Various German state development organizations work hand in hand in Malawi in the education sector, fostering the rehabilitation and extension of teacher training colleges, particularly for female trainees (KfW); developing and implementing new teacher training curricula (GTZ); supporting lecturers at teacher training colleges by equipping them with modern teaching methods (InWEnt); and providing advisory services for the management of the various teacher training colleges (DED). GTZ is additionally developing interventions for school drop-outs and for children who have never enrolled in primary school.

Since late 2005, German support includes a school feeding project, too, in order to improve equitable access to education: as a result of the annual drought, an average of less than 50 per cent of children make it to school, since they have to work for their own survival. A warm meal is now provided to these children to improve the situation and allow them to attend school. To achieve improvement in the long run, lessons on healthy nutrition will be integrated into the curriculum, and the teachers provided with related training.

In addition, the German Government provides strategic support to improve access by children and mothers to basic health-care services (MDG 4 + 5). Here, activities enhancing the reduction of child mortality are implemented both through bilateral development cooperation and through participation in multilateral programmes with organizations such as the WHO or UNICEF (e.g. vaccination campaigns against measles or poliomyelitis). In addition to child health, the health of mothers has a prominent place within programmes of basic health care and reproductive health.

Germany supports the training and further education of health-sector staff members and the quality control of health services. The German Government supports social marketing projects which advocate the distribution of contraceptives in order to reduce involuntary pregnancy and sexually transmitted diseases such as HIV/AIDS.

Box 4: Equal access to health care in Kenya

One of the focal areas of Kenyan-German development cooperation is health. The overall objective of activities here is to improve access to services relating to reproductive and sexual health and to safeguard the financing of health services, thereby contributing to poverty reduction. In the field of reproductive and sexual health, the focus lies on the themes of family planning and reproductive health for young people, the fight against female genital mutilation (FGM), and measures to prevent and control HIV/AIDS.

Access to reproductive health services in Kenya is still very limited, especially in rural areas. The demand for family planning is high and unsafe abortion is a major problem, particularly for poor and unmarried women. Gender-based violence is widespread in Kenyan society and considered legitimate behaviour by the majority of women and men.

In recent years the Kenyan government – with the support of donors – has made significant efforts to develop population and health policies, and to enact legislation consistent with international health standards. Thanks to the 2006 Sexual Offences Act, FGM is comprehensively outlawed and domestic violence prohibited.

Kenyan-German cooperation in the health sector has a human rights focus, addressing the right of access to essential reproductive health services and relevant information. This requires a particular focus on the poor and vulnerable. Therefore, the introduction of pro-poor financing systems to foster affordability is an integral element of the approach used, and contributes to the reduction of health inequalities. Other elements of the human rights-based approach of German development cooperation in reproductive health in Kenya include support for recovery services for victims of gender-based violence and intergenerational dialogues in the FGM component. A further focus of intervention is on capacity development for non-public health service providers, such as church-related services, which play an important role in health-care provision in Kenya.

Access to energy, safe drinking water supply and sanitation services

Sustainable development will not be possible without a secure and environmentally friendly supply of energy. Africa's potential for power generation is underdeveloped; the renewable energy potential in particular remains largely untapped. Within German development policy, *energising sustainable development* have become new keywords for strategies and activities in these sectors. Access to modern energy services, the promotion of renewable energy, and greater energy efficiency are the three pillars of any strategy for sustainable energy supply. The targets are threefold: first, to improve the living conditions of the poor population directly; this is in response to the fact that more than a hundred thousand people, mainly women and children, die every year in Africa from indoor air pollution. Secondly, access to modern energy services is a precondition for any kind of economic investment and growth. Thirdly, promoting renewable energy and greater energy efficiency is the fundamental approach in terms of the sustainable governance of natural resources. Each year therefore, Germany provides about EUR 100 million exclusively for renewable energy projects. A EUR-150-million credit recently made it possible to tap 160 MW of wind energy in Egypt, thus saving 180,000 tons of CO₂ per year. A second wind park is now scheduled with an output of 3,000 MW.

Box 5: Kenya: Electricity from geothermal energy

Eastern Africa is currently suffering from an energy crisis. Electrical power often has to be cut because, in the wake of a few arid years, hydropower production has decreased. Parallel prices for heavy heating oil have increased considerably. However, Kenya and its neighbouring countries have access to a large and so far unexploited potential for geothermal energy. The costs of developing such forms of energy are high, and test drilling is very complicated and costly.

German development cooperation supports Kenya's use of this potential for environmentally friendly energy production. In future, the private sector will also be included in the efforts.

The largest geothermal power station in Africa is Olkaria II in Kenya which has been co-financed by German development cooperation. Thermionic steam at up to 300 °C from around 2,000-metre-deep boreholes operates two turbines with a combined power output of 70 MW. They supply approximately 600,000 Kenyan households with electrical power. Today, Kenya already obtains 11 per cent of its power supply from geothermal sources. Environmentally friendly electrical power from geothermal energy also contributes to global climate protection.

Olkaria II has been financed by the Kenyan state with German support. The Olkaria IV power plant with the same energy power output is scheduled for construction by private enterprise to ease the burden on the Kenyan budget. Germany will only provide start-up financing, focusing on investment for drilling geothermal wells.

Only half of all the people in sub-Saharan Africa currently have sufficient access to safe water resources and only 37% to basic sanitation. In suburban settlements and in rural areas especially, water supply and sanitation for the poor is inadequate, resulting in an additional increase in the negative consequences of poverty.

Some 165 programmes are currently being implemented with a financial volume of more than EUR 840 million. More than 18 million people in eleven countries are beneficiaries of cooperation in this sector. This makes Germany the largest bilateral donor in the water sector in sub-Saharan Africa. Cooperation concentrates on eight countries (Benin, Burkina Faso, Eritrea, Kenya, Mali, Zambia, Tanzania and Uganda) and the state community in Southern Africa (Southern African Development Community, SADC). German involvement focuses on two points:

- water and sanitation supply mainly in small and middle urban settlements and
- management of water resources.

In many places new and improved water and sanitation facilities have to be built. In most cases German cooperation offers a package including both investment financing and consultancy for planning, construction and effective operation of the newly built systems. Where necessary, the population is informed about the link between water and health. Special consideration is given to suburban settlements and slums which house the majority of the unsupplied poor.

Efficient and sustainable use of water and sanitation facilities is only possible if national policies and laws provide adequate frameworks. It is important that water-supply systems are operated economically and that decision-making is decentralised to the level of consumers and customers and that the specific needs of the poor are taken into consideration. German development cooperation provides advice with regard to reforms, initiates dialogue between important stakeholders, and sets out clear conditions for financial support. Reform processes are also promoted in the partner countries.

Water resources have to be protected from pollution and wasteful usage. If water is scarce, conflicts between various users are often likely to occur. Such conflicts apply to disputes between farmers and nomads, between industry and water-supply companies and can reach the level of international disputes over cross-border, open bodies of water and subsoil water resources. German development aid focuses, therefore, on strengthening weaknesses in the management of water resources in African countries.

Thus far, only around 40 per cent of countries have taken steps to achieve the Integrated Water Resource Management targets. Cooperation between the African States concerned is also thin on the ground. Cross-border water management therefore ranks amongst the focal activities of

German cooperation in order to implement the G8 Action Plan for Africa. Support is provided inter alia to the African Minister's Council on Water and bilaterally to the neighbouring owners of the Niger, Nile, Congo, Orange, and Limpopo and to the Nile Basin Initiative, which is showing initial positive results: a climate of cooperation has been formed in the meantime.

Box 6: Improving access to clean water and sanitation in Zambia

Although Zambia has abundant water resources, a detailed baseline study conducted in 2005 indicates that only 47 per cent of the urban population have adequate and sustainable access to clean drinking water and only 43 per cent of the urban population has access to adequate sanitary facilities. The water supply systems in most urban areas are in a poor condition.

The Zambian Government embarked on a profound reform process in 1994 with the adoption of a new National Water Policy, most of which has since been implemented. Through substantially increased technical and financial support, Germany has assisted the implementation of this reform, in particular through significant support to the decision-making processes in the sector. Two main focal areas of cooperation are (1) the establishment and strengthening of commercial utilities (CUs) to provide clean drinking water and sanitation in the urban and peri-urban areas, and (2) the establishment of, and institutional support to, an autonomous and effective regulatory agency, NWASCO (National Water Supply and Sanitation Council), to ensure the balance of commercial and social goals.

NWASCO has given special consideration to the poor in all its regulatory tools, e.g. through the promotion of lifeline consumption and cross-subsidisation allowing for social tariffs. Through the definition of service coverage areas in the licence agreement the regulator obliges the CUs to provide services to low-income urban areas. Recognising the challenges the utilities face in order to fully meet the coverage targets, NWASCO issued guidelines on service provision to the urban poor. Moreover, with the support of GTZ, NWASCO set in operation the Devolution Trust Fund (DTF), a basket-financing instrument that provides funding to gradually improve water supply and sanitation services for the urban poor. DTF procedures reinforce the role of the CUs in service provision to the urban poor: The CUs submit proposals on extension projects to the DTF, whereby priority is given to the areas most in need. The CUs are then in charge of implementation, with external assistance if necessary.

The low-cost technologies promoted through the DTF are water kiosks, which are set up with the participation of the population and operated by a private kiosk operator under a contract closely supervised by the CU. The CUs control the tariff so that the kiosk operators do not charge above the regulator-approved tariff. Consumers can thus purchase 20 litres of water for a fixed price equivalent to about US cents 0.5, a tariff close to the price of water provided by a house connection. Private water vendors, which consumers had to rely on before the construction of a water kiosk in their area, sometimes charge up to 25 times the amount for water of dubious quality. The kiosk operators carry out maintenance and are responsible for keeping the kiosk clean at all times. The CUs thus ensure the sustainability of the system: linking the water kiosks to the main network automatically guarantees that the poor receive the same quality water as everyone else in the network. With the establishment of water kiosks during the first phase of the DTF, about 150,000 poor people so far have gained sustainable access to safe drinking water - at a very low per-capita investment cost of US\$ 8 to 9. Other donors have also adopted the concept of water kiosks, and make financial contributions to the basket fund. By 2015, a further 1.7 million people will have access to clean water in Zambia. At present, the DTF is developing a similar concept for low-cost sanitation projects, which will be operational in 2009 in order to accelerate progress towards the sanitation-related MDG targets.

Experience in many countries has shown that international support for education, health and other basic services has to be closely linked with national efforts. The partner state should contribute to all measures with its own budget and ensure the availability of qualified staff and sufficient means of operation in order to allow affordable services for the poor. Where cost-covering tariffs are overcharging the poorer strata of the population - and this is true in many areas - compensation measures for the poor are most essential. This policy has not been respected throughout all programmes, with the result that in some cases the poorest cannot benefit from the improved services.

Health priorities

The German aid policy underlying health-sector support focuses on the following three levels of intervention:

- At global level, it is mainly the responsibility of industrialized countries to provide opportunities to developing countries to supply themselves - based on realistic prices -

with medicine for the prevention and treatment of the most significant diseases such as HIV/AIDS or malaria. In this context, the German Government has successfully supported an initiative which allowed developing countries to facilitate the “cross border compulsory licensing” of drug products. Germany also provides assistance to research work on those medicines of greatest importance for developing countries, particularly those against malaria.

- In developing countries themselves, an improvement in health policy is most essential where it supports basic health services offered directly to the disadvantaged parts of the population. German development aid hence supports its partner countries in the establishment of sustainable, financed health services and in the design of health insurance systems in order to improve the population’s access to essential services. It is considered important in this context for health policies to be integrated into national development strategies (inter alia the PRSPs). Donor harmonization and the coordination of various international programme initiatives in the health sector must also be intensified to improve planning and implementation capacities in the cooperating countries.
- Especially with regard to the fight against HIV/AIDS, the German Government is actively seeking alliances with the private sector.

Vaccination, malaria prevention, control of tuberculosis and other communicable diseases

Malaria continues to affect the most vulnerable populations in Africa, resulting in nearly one million deaths per year, mostly amongst children under the age of five. Personal grief and economic costs (about one to five per cent of the net domestic product) are enormous.

Tuberculosis continues to spread while only five per cent of infected individuals suffer from the clinical and contagious illness of open tuberculosis. However, the illness often occurs amongst people already suffering from an affected immune system and therefore it is a very frequent cause of death among HIV/AIDS-infected persons. Annually, 1.2 million individuals in sub-Saharan Africa die from this disease. Therefore, combating TB cannot be separated from the fight against HIV/AIDS.

Besides its engagement in the fight against HIV/AIDS, the German Government provides strategic inputs to the fight against tuberculosis in Africa and Asia. So far, EUR 45 million have been raised. To date, Germany has contributed some EUR 3.2 million to the fight against malaria. During the German G8 Presidency 2007, substantial commitments were made to improve health systems and to fight HIV/AIDS, TB and malaria. The G8 committed US\$ 60 billion to the fight against these main diseases; Germany alone committed 4 billion. In addition, Germany also supports the WHO’s “Roll Back Malaria Initiative”. The focus of all projects which aim at establishing and improving local health services remains on tuberculosis and malaria control.

Effective measures in combating HIV/AIDS

The HIV/AIDS pandemic is threatening to have massive negative effects on economic development. 70 per cent of all cases worldwide are in sub-Saharan Africa. Based on forecasts, GDP might fall by more than 20 per cent in a number of African countries by 2020 as a result of HIV/AIDS. 60 per cent of the people affected by HIV/AIDS in sub-Saharan Africa are women. German development aid is therefore focusing on new strategies relating to structural and institutional issues, with a stronger focus on strengthening the role and rights of women, expanding and broadening prevention efforts, and promoting activities in the field of health systems development (in comparison to 1998 with EUR 20 million p.a). In the G8 Summit Declaration 2007, Germany, together with the other G8 countries, emphasized the importance of programmes to promote and protect the human rights of women and girls as well as to prevent sexual violence and coercion, especially in the context of preventing HIV/AIDS infections. From 2008 onwards, the German Government will provide EUR 500 million per year for HIV/AIDS-related activi-

ties. Between 2002 and 2006, the Global Fund (GFATM) alone was supported with nearly EUR 290 million. At the invitation of the German Government, high-level representatives of donor countries and partners of the Global Fund (GFATM) met in Berlin for the second replenishment conference in September 2007. Due to unexpectedly high donor-country pledges worth a total of US\$ 9.7 billion, the conference became the largest single financing exercise for health ever, thus enabling the Global Fund to increase its annual commitments to US\$ 6-8 billion by 2010. Germany more than doubled its annual contributions from EUR 87 to 200 million. Besides the GFATM and bilateral cooperation, funding has been given within the framework of EU activities to the World Bank and many other international organisations. In Africa, 28 countries are direct partners in the fight against HIV/AIDS and all joint programmes target more than 190 million persons.

Box 7: Broad initiatives for fighting HIV/AIDS

- Social marketing initiatives are supported in many countries. In some countries, socio-cultural barriers prevent the broad-scale availability of condoms. Here, only intensive dialogue with traditional and religious leaders allows for alterations in behaviour.
- HIV/AIDS prevention is not limited to health. More and more information is also launched outside the health system. Prevention is promoted e.g. within the education system for all age groups, including children (School Peer Education Programmes).
- Local production of antiretroviral medicine in poor countries is another challenge in the fight against HIV/AIDS. Through a Public-Private Partnership, the German Government supports the production of generic drugs in the Democratic Republic of Congo. A diagnosis and therapy centre accompanies this project which is implemented according to GMP (Good Factoring Process).
- Preventing the transfer of HIV/AIDS from mother to child by cheap and efficient methods is promoted in several African countries.
- As women and girls who know their rights are less at risk of infection by HIV/AIDS, Germany supports various innovative NGO projects designed to improve civic information about legal rights, the abolition of discriminatory laws or the enforcement of political participation for women and girls.
- Mainstreaming of HIV/AIDS prevention is successfully promoted in various sectors of cooperation such as education, health, rural development, decentralization, promotion of democracy, and transport. Water and sanitation programmes combine education in water hygiene with HIV/AIDS prevention.
- Many HIV/AIDS prevention and treatment activities are implemented in close cooperation with NGOs, church and other religious institutions, self-help organizations and the private sector.

It has been shown that where the pandemic is consistently controlled and combined with sufficient resources, the spread of HIV/AIDS can be stopped. In this way, Uganda was able to reduce its HIV infection rate considerably during the last decade. In the capital Kampala the prevalence rate amongst pregnant women dropped by about 30 per cent from 1990 to approximately nine per cent in 2002.

Box 8: HIV prevention in basic education - The heart of a community-based AIDS response in Francophone Africa

Many sub-Saharan African countries are experiencing alarmingly high rates of HIV infection, particularly among their youth, women, and girls. The impact of AIDS on the availability, quality, and demand for education poses enormous problems. At the same time, it is known that education can act as a "social vaccine" against HIV by providing knowledge and life skills and by giving children basic information on gender relations, sexuality and reproductive health that will help them adopt responsible behaviours in these three domains later in life.

Several basic education projects by German Development Cooperation in Francophone Africa (GTZ) have included AIDS prevention in their activities. Projects in Chad, Guinea and Mali are based on a multi-sectoral approach that establishes close collaboration between the education and health sectors and involves communities around schools in a local AIDS response. The applied strategies allow for some useful lessons learned and highlight approaches that are suitable for more widespread application:

- *Effectiveness and success:* The activities undertaken in the educational system and its social environment (in and around school) have resulted in a network that facilitates frank and open dialogue on AIDS in the target communities. This lifting of taboos is indispensable for effective AIDS prevention. Intersectoral cooperation and

close cooperation between the education sector and the health sector are crucial for an effective local AIDS response.

- *Transferability*: The approaches developed by the three projects have all been integrated in the respective national education sector programmes. This is an important prerequisite for the transfer of the approaches to other regions in the same country.
- *Participatory and empowering approach*: Numerous documented testimonies from young people in Guinea confirm that they feel they were empowered by the peer-educator training they received, because of the skills it gave them, the role they presently fill within the community, and the self-confidence they now have in discussing AIDS and responsible sexual behaviour. Empowering young people at the individual level reinforces their appreciation of themselves and of each other.
- *Gender awareness*: All the project activities include a component that promotes girls' education and empowers both women and girls. For example, through associations, mothers are enabled to serve as resource persons for their daughters and trained liaison-mothers help build a network of determined women in the target communities. The girls themselves gain self-confidence, knowledge and negotiating skills - their strongest shields against HIV-infection. Thanks to the special attention paid to girls, the rate of girls' school enrolment is increasing more rapidly in the regions covered by the projects than it is at the national level.
- *Comparative cost-effectiveness*: Schools are an excellent platform for a local AIDS response because they reach a large number of children and adolescents on a regular basis. The infrastructure, social structures, and human resources of the education sector can all be used for AIDS prevention instead of creating expensive new structures.
- *Projects promote a culture of dialogue in teaching*: Teachers now know how to produce appropriate educational materials for AIDS prevention and they actually use them in class; they have gained competency in a method of learning and teaching that allows them to establish and maintain dialogue with their students, which, in turn, benefits their students.
- *Sustainability*: By focusing their measures on the empowerment of girls and the gender-sensitivity of young men, and by designing a teaching process of participatory learning, the projects have a positive influence on community members' sense of gender equality, on their ability to reflect on existing practices and attitudes, and on their dialogue skills, all of which are predictors of the social sustainability of a programme. The so-called "context approach" employed by the projects takes into consideration the entire social context determining young people's sexual behaviour and reproductive health.
- In addition, all the projects intervene at three levels: at the micro level through direct contact with target groups, and at the meso level by improving the training offered to educators. The experience acquired at these two levels is directly integrated with sectoral advice at the level of the respective Ministries of Education and the implementation of national programmes at the macro level. This multi-tiered implementation contributes significantly to the sustainability of the innovative approaches that the three projects have developed.

Another contribution to health and the improvement of women's and girls' human rights since 1999 is the promotion of initiatives against female genital mutilation (excision and infibulation) in seven African countries. Some 140 million women and girls worldwide have become victims of genital mutilation according to official estimations. And another three million girls suffer the same fate every year. Since 1999 the German Government has been supporting governmental and non-governmental organizations in Africa protecting women from genital mutilation. Nearly EUR 6 million has been invested by Germany so far, with another EUR 3.5 million scheduled for investment over the next three years.

One way of developing alternatives to the rite of genital mutilation is to support local organizations which encourage dialogue between generations. Awareness-raising campaigns have been sponsored and instructional materials developed for schools. In addition, Germany supports government legislation or the design of action plans against genital mutilation. Since 1999 the BMZ has supported Benin, Burkina Faso, Ethiopia, Guinea, Kenya, Mali, Mauritania and Senegal in their efforts against genital mutilation. FGM has already been successfully prohibited by law in Ethiopia and Benin.

Governance of natural resources

Strategies

Africa is facing substantial environmental challenges and is highly susceptible to climate change. Increasing desertification, loss of water resources, and urban pollution are amongst the most severe problems.

In response, Germany is cooperating bilaterally with 32 African countries within the scope of its engagement in natural resource and climate protection activities. According to the German Government, combating desertification and protecting natural resources constitute integral components of poverty reduction and rural development and are therefore regularly accompanied by support measures in areas such as governance, decentralisation, capacity building, economic reform and so forth.

Of special concern to the German Government is the integration of environmental aspects in the national Poverty Reduction Strategy Papers. This is because, in developing countries, it is the poor that are hit hardest by the effects accruing from the overexploitation of environmental resources and pollution (e.g. desertification). Therefore, the German Government promotes the constitution of viable environmental institutions as well as dialogue between the parties involved about the use and valorisation of natural resources.

Important contributions by the German Government with regard to the achievement of Millennium Development Goal 7 target the conservation and growth of forests (especially in the tropics) in partner countries. Furthermore, Germany actively participates in the international process of developing and implementing the Convention for Biodiversity (CDB), the Cartagena Protocol and international treaties on plant genetic resources for nutrition and agriculture.

The German commitment to renewable energies is directly linked to climate protection. In connection with the Kyoto Protocol of the United Nations Framework Convention of Climate Change (UNFCCC), the German Government has agreed on a 21 per cent cut in the emission of greenhouse gases and has already achieved the 19-per cent mark. Moreover, developing countries have been supported in their climate protection efforts, inter alia within the framework of the project-related mechanisms of the Kyoto Protocol (CDM etc.).

For Germany, the UNCCD is the instrument of choice for its policy of combating desertification and drought and for promoting sustainable land management. As a signatory state to the UNCCD and as a country hosting the UNCCD Secretariat, Germany is committed to supporting the Convention's implementation. It makes annual contributions of about 9.4 per cent to the budget approved by the Conference of the Parties and provides voluntary contributions to the UNCCD Secretariat, thus expressing its interest in the success of the UNCCD. Currently, 60 per cent of the support for desertification deriving from numerous bilateral cooperation projects goes to Africa, supporting 136 governmental and 194 non-governmental projects and initiatives.

Good practice is upheld by German development cooperation, for example, through a project advising the Malian UNCCD focal point and supporting regular in-country donor coordination. The project also advised and supported the Malian partners in their efforts to create synergies between the three environmental Conventions. At community level, complementary efforts are directed towards sustainable land-use planning in 95 rural communes, thus exemplifying implementation of an international convention at local level.

Equitable resource revenue sharing

Box 9: Extractive Industries Transparency Initiative

The Central African states have so far not been able to profit economically from their richness in natural resources. Reliable data on the extraction of resources and the resulting monetary flows is available only to a limited extent, and the states' income from resource extraction is not effectively utilized for sustainable economic development and poverty reduction. The project "*Strengthening Governance in the Extractive Industries in Central Africa*", funded by the Ger-

man Government and implemented by GTZ and about to start in the 4th quarter of 2007, aims to help public, civil and state actors make better, more development-oriented use of the wealth of natural resources. It will cooperate closely with the international initiative EITI (Extractive Industries Transparency Initiative), which lobbies for public access to data on public-sector income derived from extractive industries worldwide, and which comprises 14 African member states. The project will second an international expert to the secretariat of CEMAC (Monetary and Economic Community of Central Africa) in Bangui, Central African Republic, to support the national implementation of the EITI process in the CEMAC member states. Furthermore, the GTZ expert will put special emphasis on better, development-oriented use of the public income derived from the resources.

The project will cooperate with a broad stakeholder base, including a number of civil society organizations, officials of the member states and CEMAC and the corporate private sector active in resource extraction. The main project services will include the establishment of and support to multi-stakeholder dialogue and cooperation processes especially at regional level, development of feasible standards and benchmarks, identification and dissemination of best practices, and strengthening of the local economies e.g. via value chain integration of local entrepreneurs, improved local business climate for investments, PPP with resource extractors etc.

German interventions will be closely coordinated with other donors in this field and complement their activities. The project will profit from the very positive experiences in Ghana, where an initiative on fiscal governance in close cooperation with EITI Ghana has shown remarkable success. The project "Strengthening Governance in the Extractive Industries in Central Africa" is scheduled to last for a total of 9 years, including a pilot phase of 2 years.

Means of implementation

Improved domestic resource mobilization and access to international capital markets and foreign direct investment

Economic growth has accelerated considerably in a number of African countries, reaching an average growth rate of almost 6 per cent during the period of 2004 to 2006, and is now starting to impact on poverty. Macroeconomic conditions have continued to improve, and many African countries have adopted extensive policy reforms that have strengthened the investment climate. This can help deepen and broaden sustainable growth and promote employment, poverty reduction and economic diversification.

But Africa still needs increased investment. Sustainable growth and achievement of the MDGs will depend on the ability to encourage and mobilise domestic and international entrepreneurship and investment. ODA can be an important catalyst in this regard, but not a substitute. At present, the African continent continues to be a net exporter of capital. To attract and retain domestic and foreign capital and investment, many African countries have been working hard at improving their business climate. Nevertheless, private investment is scarce since the risks are considered too high. Therefore, during the German G8 Presidency 2007, fostering investment and sustainable economic growth were defined as core areas of action. Germany has committed substantial funding to the initiative "Partnership for Making Finance Work for Africa" (EUR 8 million), to the regional Micro Small and Medium Enterprises Investment Fund (REGMIFA) (EUR 50 million), and to the Investment Climate Facility (ICF) (EUR 32 million).

Investment decisions depend on confidence, and confidence is best nurtured in an environment of good and reliable government. German development aid supports Africa in addressing the problem of high indirect business costs - caused by a weak infrastructure, but also by corruption and institutional deficiencies - with a view to making African economies and companies more competitive.

A serious obstacle in the course of development is corruption; mainly in public institutions, it cancels rights at random and continues to swallow up resources. Fighting corruption ranks among the most important international efforts. Recent examples are the ratification of an agreement on the prevention of and fight against corruption by the member states of the AU in July 2003 and the signing of the UN treaty against corruption by 95 nations in December 2003. A major component of the UN agreement is the signatories' obligation to intensify international

collaboration to prevent the transfer abroad of property assets gained through corruption and to facilitate their repatriation. The German Government supports implementation of the Convention in its partner and cooperation countries through technical project assistance.

Another contribution to the international struggle against corruption is the adoption of an action plan at the G8 summit in June 2003 to combat corruption and advance transparency. This campaign demands progress in the administration of public finance and recommends combining bilateral support more closely with progress in this field. All developing countries are requested to integrate relevant action plans into their poverty reduction strategies. By endorsing the G8 Action Plan for Good Financial Governance in Africa in 2007, the G8 Heads of State and Government undertook to intensify cooperation with African partner countries in order to strengthen the capacity of individuals and administrations to promote transparent, reliable and legitimate public financial management and policy-making, and thus increase efficiency in fiscal policy. The G8 Action Plan identifies ten areas of action such as strengthening African tax systems, establishing transparent and comprehensive budgeting procedures, increasing accountability for revenues from extractive industries, and also supporting fiscal decentralisation. Germany has pledged EUR 9 million for the implementation of the Action Plan.

Enhance effectiveness of ODA management and use

German development policies favour the improvement of complementarity and division of labour to reduce the transaction costs of delivering and managing aid. Where feasible, programme-based approaches are taken into consideration in a timely and predictable manner including joint financing mechanisms and disbursement. In order to improve governance, Germany supports the APRM (African Peer Review Mechanism) and implementation of the UN Convention against Corruption focusing on public sector and budgetary reforms, including public financial management and strengthening the capacity of public institutions. APRM measures have so far been implemented in five African countries. Strengthening the APRM and improving the effectiveness of development aid were agreed upon by the G8 Heads of State and Government at the G8 Summit 2007 in Germany as guiding principles of the partnership with Africa.

The world's largest 'basket' goes to Tanzania. Within five years more than US\$ 400 million will be invested in a 'water basket' in order to provide access to safe drinking water to 24 million people. For the first time, it is hoped a lack of funds will no longer be an impediment to improved water supply in this country.

Box 10: 'Water basket' in Tanzania

The Government of Tanzania will generate access to clean drinking water for about 24 million people in order to attain the Seventh Millennium Goal by 2015. This necessitates large-scale investment and more effective harmonisation of development cooperation. To expand the water supply, the Tanzanian Ministry of Water has, together with the World Bank and the German development cooperation, worked on a new strategy. Its core idea is 'basket financing' i.e., all donors pay into a joint 'basket' from which the national sector investment programme is financed. The 'water basket' in Tanzania is the first of this magnitude worldwide. Germany is initially participating with a subsidy of EUR 17.25 million.

For the first time in Tanzanian history money should not be the crucial obstacle to improvements in water supply. Once the finance problem has been tackled, it will be the turn of the Tanzanian Government, the water supplier and the other participating organisations to extend their capacities speedily in order to implement the programme. Only in this way can access to clean drinking water become a reality for a greater number of people in Tanzania.

All types of budget support require a maximum of transparency and accountability in the partner country. Experience has shown that poor governance remains a major constraint for such

support and this cannot be offset by various other conditions that only raise transaction costs further. Therefore, bi- and multilateral projects and programmes under the control of donors in the mid-term will remain an important instrument of development cooperation. With the objective of enhancing transparency and accountability, and strengthening the capacity of public institutions, Germany supports comprehensive reforms in public financial management that impact on tax policy and tax administration, the management and control of public expenditure and debt management.

Box 11: Support for the Collaborative Africa Budget Reform Initiative (CABRI)

Officials of the Ministries of Finance are at the heart of many reform efforts to strengthen public financial management. The success of the reforms depends to a large extent on their ability to analyse existing deficiencies, decide on changes, and manage implementation. CABRI is a regional network of senior budget officials from across Africa that currently has 27 members. CABRI member countries aim to integrate regional approaches into public financial management reforms elaborated within the framework of the CABRI network and to apply them within their own national reform agendas.

German Technical Cooperation provides technical support through GTZ to the secretariat of this African-led and managed forum for peer-to-peer exchanges of information, experiences and expertise allowing for open and frank debate. In this way, CABRI members adapt specific African know-how relating to public financial management reforms, and integrate it in their national reform programmes. As a result of enhanced ownership, budget reforms can be implemented more effectively, thus creating sustainable capacities in the public finance sectors of African countries.

The efficient application of public funds in accordance with established policy can be expected to have an indirect, positive impact on the poorest part of the population, especially since most of the countries involved are pursuing political programmes and strategies, for example poverty reduction strategies (PRS). Within the framework of the CABRI network, three annual conferences have been held with GTZ support. Obvious improvement in the exchange of information has enabled budget directors to enhance their analytic capacity, to identify weaknesses in existing systems, and to develop country-specific approaches to reform processes. Studies which have evaluated the member countries' reform experiences and have identified best practises and lessons learned were presented during these conferences. Such examples have contributed to major changes. Within the activities of the Strategic Partnership with Africa, SPA, the CABRI network is involved in work aiming to help member countries integrate international financial aid in their national budgets and thus provide a guarantee of transparency.

Domestic finance sector, improved access to finance for the poor

Without a broad range of financial services, sustainable development in the economic sector will not get under way. But for the time being, less than ten per cent of adults in sub-Saharan countries have access to financial services. German development cooperation is therefore helping its African partner countries strengthen their financial sectors. Credit, saving accounts and financial services are planned to be made accessible on a wider scale. Furthermore, banks, associations and training institutions will be advised as well as ministries, central banks and the banking supervisory authorities. Not only will individual institutions be supported but a reform of the financial sector as a whole will be undertaken. In 28 sub-Saharan countries, Germany therefore backs projects with about EUR 75 million annually. In total, the cash flow for these projects amounted to about EUR 346 million between 2002 and 2005.

In order to mobilize the enormous economic potential of Africa's hitherto marginally involved female population, many projects and programmes address women and support their role in financial and private-sector development in order to raise their legal status, foster their access to economic resources and boost their contribution to production.

Improvements in education and skills training

A major concern of German development cooperation is to coherently combine activities promoting basic education with other capacities in the education sector. This applies in particular to the professional education sector in order to give as many adolescents as possible a post-primary school opportunity to achieve skills that will enable them to secure their livelihoods. In

addition, education system reforms, including the decentralization of tasks and responsibility and improvements in education planning, are playing an increasingly important role.

NEPAD and other frameworks of cooperation

Centring on the African Union, a new institutional landscape is emerging on the African continent in the form of the NEPAD programme, the Regional Economic Communities and a strengthened African Development Bank. New pillars are complementing the regional and pan-African governance architecture, such as the Pan-African Parliament, the African Court on Human and Peoples' Rights and the African Peer Review Mechanism (APRM).

In 2001, a number of African states began an initiative entitled, 'New Partnership for Africa's Development' (NEPAD). NEPAD constitutes a profound reform process designed to overcome poverty and promote development. Initiatives for peace, security and democracy, for human rights, the rule of law and good governance, for intensified cash flow and better access to the market are centrepieces. Germany supports the reform projects of the NEPAD initiative under the G8-Africa Action Plan with about EUR 60 million per year.

In Africa, further regional steps in integration offer considerable opportunities in development politics. This mainly relates to possible supplementary effects between industrially and agrarian-oriented, commodity-producing and commodity-consuming nations, arid countries and ones with an abundance of water resources. The creation of well-funded, common economic areas would give rise to greater potential for intra-African trade. For the Southern African Development Community (SADC, about 200 million people), for example, the unexploited commercial potential has been estimated at EUR 1 billion annually. In the long run, the weaker nations (Mozambique, Malawi, Tanzania, and Zambia) would also benefit. However, the differences between the countries are extreme in parts; a fact that is proving to be an obstacle to integration and a potential for conflict. German development cooperation focuses above all on the central factors of risk (e.g. the trans-border water problem) and supports, besides the African Union (AU), the African regional organisations SADC, the Intergovernmental Authority on Development (IGAD), the East African Community (EAC) and Economic Community of West African States (ECOWAS).

Regional inter-governmental organisations and contracts not only turned out to be instruments for the prevention of conflicts, but exceedingly efficient instruments for advancing Good Governance in the countries concerned. Germany will encourage more African states to join the APRM and will continue supporting efforts to accelerate progress in the APRM and help implement necessary reforms. Germany has committed itself to prioritising the results of the peer reviews in its strategies for bilateral and regional cooperation.

Other issues of importance

Without security and peace, there can be no economic, social and political development in Africa. The number of wars has certainly declined, but the continent still leads the statistics in armed conflicts. However, conflicts are not only impediments to development; they create new poverty, damage the natural resource base and lead to forced migration and expulsion.

It is part of the German Government's basic understanding that development policy is peace policy. This is because, on the one hand, without peace and security there is no development and, on the other, without development there will be no lasting social peace. Securing peace is one of the core objectives of German development policy. Within the scope of the Federal German Government's comprehensive strategy for the development of peace and the prevention of crises, the task of development policy is to contribute 1) to the prevention and reduction of structural causes of conflicts as well as 2) to the advancement of mechanisms of non-violent

conflict management. This is done by improving economic, social and ecological conditions in joint operation with foreign policy in the partner countries concerned. Programmes geared to poverty reduction, health and education which belong to the classic scope of development cooperation are able to take the edge off tensions on the domestic front and, in so doing, contribute to greater stability.

The parameters for a future with fewer conflicts are favourable: The founding of the Peace and Security Council of the African Union in 2004 and the planned formation of a peace-keeping force under the command of the African Union by 2010 are worthy attempts to prevent armed conflicts in the future. German development cooperation therefore concentrates on supporting the most important regional organisations that deal with the:

- prevention and management of crises
- reduction of small arms and light weapons and
- expansion of African peace-keeping capacities.

Germany, for example finances material inputs, the Kofi Annan International Peacekeeping Training Centre and supports the implementation of courses and training modules for civil-military cooperation.

Annex 1: Partner countries and priority areas in sub-Saharan Africa

Country	Agreed sectors		
Benin	Decentralization	Water	Resource protection / rural development
Burkina Faso	Decentralization	Water	Agricultural development
Cameroon	Decentralization / Governance reform	Resource protection	Health
Ethiopia	Decentralization	Sustainable economic development	Resource protection / rural development
Ghana	Governance reform / Decentralization	Sustainable economic development	Agricultural development
Kenya	Water	Agricultural development	Health
Mali	Decentralization	Water	Agricultural development
Malawi	Decentralization	Health	Education
Mozambique	Sustainable economic development	Decentralization	Education
Namibia	Sustainable economic development	Resource protection	Transport
Rwanda	Decentralization	Sustainable economic development	Health
Senegal	Decentralization	Sustainable economic development / youth employment	Peace
South Africa	Governance reform	Decentralization	Sustainable economic development
Tanzania	Water	Decentralization	Health
Uganda	Water	Sustainable economic development	Sustainable economic development
Zambia	Governance reform	Water	Decentralization

B. Agriculture, Drought, Desertification, Land and Rural Development

Agriculture

Trends in Agriculture in the Federal Republic of Germany

Background

There were around 353,000 farms with over two hectares of usable agricultural land in Germany in 2006 (1990: 667,000). The number of full-time and part-time workers engaged in farming totalled approximately 1.2 million. If upstream and downstream sectors are included, there are 3.8 million jobs in the agricultural and food sector in Germany.

The share of gross value added (GVA) generated by agriculture, forestry and fisheries has fallen from 1.7% in 1990 to 0.9% in 2006 (i.e. from around € 20 billion to € 17.8 billion). By comparison, these sectors accounted for a 29.9% share in 1900, and even in 1950, the figure was still 11.3%.

Productivity, on the other hand, has increased dramatically over the last 50 years: in 1949, one farmer produced enough food to feed ten people; in 2004, he produced enough to feed 143 people.

In total, 16.9 million hectares of land are utilised for agricultural purposes in Germany (i.e. around 49.3% of total area). Of this figure, crop production accounts for around 11.8 million hectares and permanent pasture for around five million hectares. By comparison, fruit plantations, tree nurseries and Christmas tree farming play a minor role in terms of land consumption.

European agricultural policy

Since the 1960s, agricultural policy has been regulated at European level. Until the 1990s, in light of the special nature of farming, the European Union safeguarded farm incomes on the world markets by means of high tariff protection at its external borders, state price support, export subsidies and measures to control productive output. Agricultural surpluses were sold on world farm markets using export subsidies. Income stability for farmers was achieved, but at high financial cost and causing negative environmental impacts and trade conflicts.

The 1992 agricultural reform was the first radical reorientation of agricultural policy, which continued with Agenda 2000. Pricing and quota policies were partly replaced by direct payments to farmers (first pillar), with a new priority, namely rural development policy, being incorporated as a second pillar of the common agricultural policy. The new policy course combined a stronger market orientation in European agriculture with direct payments to farmers. Agricultural policy measures were also geared more strongly towards safeguarding environmental and other social benefits generated by agriculture. Agenda 2000 continued the course initiated in 1992. As a general principle, however, the objective of securing farm income through governmental pricing and quota policies was maintained.

The Luxembourg agreements on the reform of EU agricultural policy in June 2003 marked a fundamental shift in Europe's agricultural policy course. For the most part, the reform cuts the link between support and production (decoupling). The decoupled direct payments are made in recognition of the social benefits of farming. They contribute to safeguarding a multifunctional agriculture and are also a form of recompense for compliance with higher animal welfare and environmental standards in the EU.

Farmers may receive direct payments provided that they comply with specific legal obligations (cross-compliance) and maintain their land in good agricultural and ecological condition. The course initiated with the 2003 reform, comprising cuts in support prices and decoupled direct payments will be continued in the coming years, in particular within the so called health check of common agricultural policy (CAP) in 2008.

Sustainable land management

The radical reform of the CAP in 2003 also has implications in terms of more sustainable land management. In Germany, implementation of the reform began in 2005 and will continue until 2013 within the framework of the German decoupling model towards a system of regionally uniform acreage premia. In terms of sustainability, this has three key impacts:

1. Decoupling of premia from production is expected to lead to more extensive production.
2. As one element of the German model, premium volumes will be redistributed to some extent in favour of extensively used sites and grasslands.
3. The payment of premia is conditional upon farmers' compliance with various standards on food safety, the environment and animal welfare (cross-compliance).

Overall, then, the 2003 CAP reform and its implementation in Germany support efforts to achieve more sustainable farming. Furthermore, under the second pillar, specific measures to support environmental services from farming are envisaged, supported with additional financial means, inter alia, with sums saved through mandatory withdrawal of direct payments (being allocated to rural development measures) (modulation).

Measures to improve competitiveness and farm incomes

Increasing agricultural productivity is not longer the first priority in German agricultural policy but the development of the food markets and markets for renewables demand for a highly productive and sustainable agricultural production. Therefore, improving competitiveness in agriculture continues to be a policy objective and is being pursued under the second pillar of the common agricultural policy.

The effect of the direct payments provided under the first pillar is to compensate farmers for higher food security, environmental and animal welfare standards in the EU and to facilitate multifunctional and sustainable agriculture.

Environmentally friendly pest control

Pesticide Reduction Programme

In 2004, Germany launched a Pesticide Reduction Programme in addition to existing legislation. The Pesticide Reduction Programme builds on Germany's existing plant protection legislation. With the authorisation of plant protection products which provide users with clear instructions for their handling and application, legal provisions on quality and safety of plant protection equipment and the improvement of professional knowledge of users of these products, the incorporation of additional provisions into the Act concerning the Protection of Crop Plants and principles governing good practice established in plant protection and other areas of the law, a comprehensive legal framework is now in place.

The Pesticide Reduction Programme centres on the necessary minimum, especially in the application of chemical plant protection products. The necessary minimum in the application of

these products relates to the intensity that is required in order to safeguard crop cultivation, especially in relation to economic efficiency.

The decision by the farmer, gardener or forester whether to use plant protection products in a given situation in order to protect his crop, as well as which products to use and in which dosage, does not only depend on the regulatory situation. The practitioner makes these decisions on the basis of specific criteria of relevance to him, notably

- the overall agriculture policy and economic framework, such as
 - participation in funding programmes to improve the environment (e.g. agri-environmental schemes),
 - production in line with specific agreements with the recipient side (e.g. sales agreements, contract growing),
 - specific farming practices (e.g. organic farming), and
- the current conditions for the plant protection measure.

The purpose of the Pesticide Reduction Programme is to limit the application of plant protection products, especially chemical products, to the necessary minimum to a greater extent in order to avoid unnecessary applications of these products, and to encourage the use of non-chemical crop protection methods.

This shall result in:

- a decrease in the residues of plant protection products in foods, thus making a major contribution to consumer protection,
- a further decrease in environmental pollution from plant protection products,
- an improvement in the economic situation of farms by avoiding unnecessary costs of pesticide use.

The aim is to achieve the following:

- to reduce the risks associated with, and the intensity of, chemical pesticide use by reducing the application of plant protection products to the necessary minimum and replacing a significant share of chemical plant production products with non-chemical alternatives, and
- to reduce the percentage of products exceeding the existing Maximum Residue Limits (MRLs) in domestic agricultural products to less than 1% across all product groups.

The success of the Pesticide Reduction Programme is assessed on the basis of appropriate indicators such as treatment indices, rating of samples exceeding Maximum Residue Limits (MRLs) and risk indicators.

The following actions are being pursued within the Programme:

- Improving standards in good professional practice, especially
 - improvement of professional knowledge,
 - keeping records of pesticide use, and
 - improvement of plant protection inspections and inspections of foods of plant origin.
- Better enforcement of the principles of integrated plant protection, especially
 - provision of more and better professional information,
 - integration of Pesticide Reduction Programme indicators into quality assurance schemes,
 - establishment of a network of reference farms,
 - development and introduction of modern plant protection technology, especially widespread use of loss-minimising plant protection equipment.
- Supporting the development and implementation of innovations, especially
 - plant protection technology,
 - non-chemical plant protection measures (including resistance of crops) and integrated plant protection processes, and

- forecasting systems and other decision-making aids.
- Financial support for schemes to support the Pesticide Reduction Programme, especially
 - organic farming,
 - non-chemical, including biological, plant protection processes,
 - integrated plant protection.
- "Hot spot" management.
- Cooperation with trade organisations and the food processing industry and the integration of consumer information into the Pesticide Reduction Programme.

The Pesticide Reduction Programme is supported by a Pesticide Reduction Programme Forum. Developing the German Plant Protection Index (PIX), the aim is to try to identify and summarise trends in the development of plant protection intensities as well as risks to consumers and the environment and thus monitor the Programme's progress.

Measures to improve water management

Germany is a water-rich country, so more intensive measures were not required in relation to irrigation and drainage for agriculture. In specific cases, however, water-saving irrigation schemes are funded by the state and research on optimising irrigation technology is continuing. Water-intensive gravity-flow systems were phased out 20 years ago, while funding for artificial drainage of agricultural areas stopped in 1989.

Infrastructural measures to improve market access

The infrastructural conditions for agricultural marketing are in place across the board in Germany. Producer groups who pool their offer in order to strengthen their market position receive institutional support under certain conditions for specific product categories.

Measures to promote diversification of agricultural production systems

Diversification is one of the priorities of the Joint Task for the Improvement of Agricultural Structures and Coastal Protection (GAK) by means of which the German Government and the federal states (*Länder*) jointly support agricultural structural policy measures at farm level. Investment in the diversification of agricultural production systems is one of the three thematic pillars of the GAK. Diversification comprises farming and non-farming activities which allow farms to tap into new sources of income. The federal states are responsible for administering the funding and setting the funding criteria. The funding takes the form of a subsidy and is co-financed by the Federation and the federal states.

Protection against weather-related risks in agriculture

Protection against weather-related risks in agriculture is primarily a task for the business sector, i.e. farmers themselves and insurers. There are well-established insurance schemes, such as hail insurance, as well as the option of insuring against other weather-related risks, including flooding and drought. To a certain extent, the agricultural sector can also insure against the effects of more serious weather-related problems via the forward markets for loans. In extreme emergencies (e.g. protracted drought, flooding), state aid for livelihood security is available, which may be paid out after events which cause large-scale damage. The aid is financed by the federal states and, in exceptional cases, by the Federation. This system has proved its worth, but may need to be reviewed in light of the impacts of climate change.

The German Government's International Contribution to Combating Hunger and Strengthening Rural Development in the Developing Countries

Activities relating to food security

Despite substantial development efforts and considerable progress, hunger and malnutrition are still fundamental problems for millions of people in developing countries. Around 80 per cent of the 852 million people worldwide suffering from hunger live in rural regions and it is mainly in the rural regions that the problem of hunger is worsening. As this statistic makes clear, growth in the agricultural sector in developing countries is extremely important in terms of achieving food security.

At the World Food Summit convened by the FAO in Rome in 1996, the international community pledged to halve the number of hungry in the world no later than 2015. In November 2001, the German Bundestag decided that Germany should play a leading role in combating world hunger. Realising the right to food is a priority area for action by the German Government in its Program of Action 2015.

The right to food

The German Government attaches great importance to the right to food - enshrined in the International Covenant on Economic, Social, and Cultural Rights - and the ensuing rights-based approach to combating hunger.

It has therefore provided substantial financial support for the *Intergovernmental Working Group for the Elaboration of a Set of Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security* (IGWG) established at the World Food Summit: Five Years Later in Rome in June 2002. The Working Group's task was to prepare guidelines, within two years, for the realisation of the right to food within national and international legal structures.

The *Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security*, adopted by the FAO in November 2004, require the member states of the United Nations to intensify their efforts to combat world hunger, and serve as an important reference point for encouraging greater national responsibility and good governance. The Guidelines link a human rights-based approach with the development agenda for the first time in an international document.

The German Government attaches major political importance to the Voluntary Guidelines on all issues relating to the right to food and food security. It views the Voluntary Guidelines as an action-oriented frame of reference in the field of food security and rural development which enables better identification of population groups affected by hunger and strengthens their legal status. The Voluntary Guidelines also serve as an important reference point for encouraging greater national responsibility and good governance in the worldwide fight against hunger and malnutrition. The Voluntary Guidelines can also be utilised by international organisations and governments on a sectoral basis and integrated as a cross-cutting task.

A project launched in summer 2005 with funding totalling EUR 5.3 million aims to provide targeted support to the FAO in developing instruments to implement the Guidelines. The German Government is also working for the Guidelines to be recognised by international organisations such as the IMF and the World Bank.

The German Government utilises the Voluntary Guidelines in its own policy development. Core aspects of the Guidelines form an integral part of the BMZ policy paper "Rural Development: A Reference Framework", for example.

The German Government's bilateral cooperation with the FAO on food security

Within the framework of its bilateral cooperation on food security with the FAO (through a Bilateral Trust Fund), the German Government supports various projects to combat hunger and malnutrition, with the funding coming from the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) and with a particular focus on promoting sustainable agriculture and sustainable management of other natural resources. It is thus supporting the FAO to address new global challenges through pilot projects and the development of technical cooperation for the food, agriculture, fisheries and forestry sectors. From the implementation stage onwards, the projects are intended to respond to vital interests and have the potential for further dissemination as a pilot measure after successful trialling. The Bilateral Trust Fund has an annual budget of around EUR 8.35 million. Since 2002, 43 projects with funding totalling EUR 24,722,995 have been implemented within the framework of the Trust Fund in cooperation with the FAO.

The Trust Fund's support framework currently focuses on the following priorities:

- the right to food;
- combating highly pathogenic avian influenza;
- food and energy security in rural regions, and
- sustainable agriculture and animal husbandry.

The regional focus of the projects currently lies in East and West Africa and in Afghanistan as a priority country.

The Bilateral Trust Fund portfolio

Overview of the "right to food" projects

- A "life without hunger" is a key priority for President Tejan Kabbah's government in Sierra Leone. In support of this goal, a three-day symposium on the right to food took place in Freetown back in May 2003. As a follow-up to the symposium, a *Right to Food Secretariat* was set up at presidential level and the status of the *Food Security Coordination Committee* was enhanced. The Trust Fund has provided grant funding for the Secretariat's work to cover personnel, travel and material costs.
- Two agricultural projects which aim to strengthen food production and self-sufficiency are also part of the best-practice implementation of the right to food concept. These are, firstly, the rehabilitation of national seed production through the re-establishment of national seed farms with a market-economic focus, and a reform of national seed policy. The aim is to create structures enabling farmers to be supplied with good quality seed on a sustainable basis. Secondly, support is also being provided for *Operation Feed the Nation*, which was established by the Government of Sierra Leone. Productivity increases in agriculture are to be achieved through *Farmer Field Schools*.
- In Brazil, where the present Government attaches high priority to combating hunger and realising the right to food, Brazilian civil society decided to appoint a National Rapporteur on the Human Right to Food. This is an independent office whose purpose is to critically appraise and comment on the strategies, programmes and draft legislation proposed by the Government and put forward its own proposals on the further development of the right to food. It will also establish participatory control mechanisms on a country-wide basis in order to monitor the implementation process and drive it forward. The Trust Fund has provided support for the office's operations. In order to safeguard the sustainability of the approach, the project has also included the development and establishment of civil society mechanisms.

Overview of projects to combat highly pathogenic avian influenza (HPAI)

Despite current measures to address the problem, it must be assumed that bird flu is now endemic in some countries. Due to the risk of transmission to humans, bird flu is an ongoing threat not only to families' livelihoods but also to public health.

The measures taken to combat the disease so far, especially slaughtering but also restrictions on poultry keeping and marketing, have hit smallholder poultry farmers especially hard. A successful and sustainable campaign against the disease must take account of the small farmers' conditions of life, and the measures must be accepted by households. It must be borne in mind, in this context, that destroying flocks without compensation contributes directly (loss of an important source of protein) and indirectly (loss of an important source of income) to food insecurity; conversely, most smallholder poultry farming is undertaken by women and therefore directly benefits the household budget and therefore also food security.

Preventive slaughter has destroyed many smallholder farmers' flocks with a high level of genetic diversity. If flocks are re-established, the previous diversity is generally lost. This loss of biodiversity reduces important animal genetic resources and erodes stable and sustainable production systems.

The strategy pursued by the FAO has a regional focus on Asia and takes particular account of the small farmers' conditions of life and the issue of biodiversity.

To combat bird flu in the latent region of origin of South-East Asia, Laos and Cambodia have been selected as countries which have been especially hard hit by the disease. The aim of the planned measures is to control bird flu to such an extent that farming families' livelihoods are secured and no further threat is posed to public health.

To this end, disease monitoring services are being established and/or reinforced at village and communal level. Support is being provided to the state veterinary service at provincial and national level in the form of training, better diagnostic services (laboratories), development of information materials and vaccination campaigns. This enables the veterinary service to respond adequately to the crisis and control the epidemic on a long-term basis. Public information and raising awareness of preventive action against the disease are other important aspects.

The project is currently being extended to Uganda and Egypt, with regionally adapted activities.

Coherent and overarching strategies are also required so that the campaign against bird flu can be conducted in a way which takes account of small farmers' conditions of life and biodiversity. For this purpose, the Trust Fund has provided personnel support for the FAO's *Emergency Centre for Transboundary Animal Disease Operations (ECTAD)* to establish a Crisis Management Centre (CMC). ECTAD combines emergency measures to combat transboundary animal diseases with preparedness strategies and also develops contingency plans and strengthens national animal health services.

The main purpose of the project is communication and the establishment of measures at regional and global level. In addition, appropriate strategies are to be developed by implementing pilot projects in selected countries. At the end of the project period, it is expected that HPAI prevention and control strategies which are sensitive to the needs of small farmers and biodiversity will be deployed not only at national level but will be taken into account at regional and global level as well.

Overview of projects on food and energy security in rural regions

From a regional perspective, the work being undertaken with the FAO in Afghanistan via the Bilateral Trust Fund should be highlighted here. Since 2002, 17 projects have been funded in all, with the total volume of funding amounting to EUR 20.2 million.

Classic emergency relief projects absorbed a 40% share of the total volume of funding. This primarily comprised the coordination of emergency measures in the agricultural sector and the provision of seed and support for returning refugees and poor rural households, by supplying them with *farm kits* (seed, fertiliser and tools).

Most of the other projects aimed to improve the income situation of small farming families suffering from permanent food insecurity through the provision of support in agricultural production, thus enabling them to stabilise their food situation. Measures include the rehabilitation of irrigation systems, support for poultry and dairy cattle raising, and reducing post-harvest losses through better storage. The production and income improvements also help to ensure that income can be generated legally through agriculture.

A third group of projects focuses on the national conditions for agricultural production with a view to improving food security. In this context, Afghanistan's Ministry of Agriculture, Irrigation and Livestock has been given support to develop a national market information system, and a coordination unit for projects of relevance to food security has also been funded.

Besides the five ongoing projects in Afghanistan, a new project on biodiversity and food security was launched in 2006, focussing on the conservation and management of wild plants for the qualitative improvement of food through key micronutrients in hard-to-access mountain regions.

All the projects under way in Afghanistan are currently being integrated into an overarching strategy and will be incorporated into an umbrella project on food security.

A new interregional project relating to food and energy security in rural regions is intended to assess the implications of the growing demand for bioenergy on food security in developing countries and develop strategies and approaches to manage the economic, environmental and social impacts in the interests of food security. The basic idea of the project is to develop methodologies which take account of food security objectives in the formulation of bioenergy policies with a view to making a positive contribution to rural development.

Overview of sustainable farming projects

Agriculture is the most important economic sector in most developing countries and is likely to remain so for the foreseeable future. On average, over 70 percent of the population in developing countries still live and work in rural regions, whose productive capacities can only be safeguarded for the long term through a form of agriculture which conserves natural resources.

The loss of soil fertility, including erosion, and therefore the loss of the economic basis are increasingly being observed, often as a result of demographic pressure. Traditional agricultural production systems are also being challenged by the HIV/AIDS pandemic. Illness and death are causing a dramatic shortage of workers.

New practices and ideas which are labour-extensive and protect soils and which offer the prospect of higher economic yields are already being promoted successfully. Known as *Conservation Agriculture (CA)*, this system is based on the principles of minimal soil disturbance, permanent soil cover, crop sequences which suit the soil, and/or mixed crops.

An ongoing project aims to promote *Conservation Agriculture (CA)* techniques in Kenya and Tanzania since it was shown that this approach is practicable, requires less labour and yet results in higher yields (or yields that remain the same during drought) and can also reverse erosion processes.

The project makes an important contribution to the international *Sustainable Agriculture for Rural Development (SARD)* initiative, which is supported by the Federal Ministry for Economic Cooperation and Development (BMZ) and the German Council for Sustainable Development.

The project also makes a major contribution to the *Sustainable Agriculture Information Network (SustaiNet project)* initiated by the German Council for Sustainable Development and supported by the Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV). Together with partners from civil society and government agencies, SustaiNet documents examples of best practice in sustainable agriculture and develops strategies to promote them. At international level, SustaiNet cooperates with the FAO's SARD Initiative: FAO/SARD and SustaiNet provide mutual support in the national and international policy dialogue on standards in sustainable agriculture.

Agriculture and rural development in bilateral German development cooperation

In its promotion of rural development, German development cooperation pursues a comprehensive system- and process-oriented approach which takes account of the multifunctionality of rural regions and the realisation of the right to food. In this context, the various factors influencing conditions of life in rural regions must be systematically addressed. In 2006, total net spending on rural development exceeded EUR 500 million.

The agricultural and food sector is the most important branch of the economy in sub-Saharan Africa, both in terms of supplying the local population and for export, and also offers the greatest direct potential for poverty reduction. The aim of German development cooperation is to identify the development potential of agricultural production and processing and open up ways of integrating broad sections of the rural population into local, national, regional and international markets. Cooperation with the countries of sub-Saharan Africa is a special focus. Here, Germany is cooperating with 13 countries at present (Ethiopia, Burkina Faso, Ghana, Kenya, Mali, Benin, Côte d'Ivoire, Congo, Democratic Republic of Congo, Nigeria, Republic of South Africa, Zambia and Senegal).

Germany is supporting, in particular, the establishment of framework conditions which encourage competitiveness in the agricultural and food sector. The targeted promotion of (sub)sectors and regions aims to improve the level and distribution of profits along the value chain and finance the requisite services from the value added that is generated. The provision of infrastructure (roads, markets, irrigation, etc.), strengthening and advising producer organisations, integration into overarching strategies for the development of the rural regions and the sustainable management of natural resources all help ensure that agriculture can fully exploit its potential to reduce poverty. Through policy advice and dialogue, German development cooperation is contributing to the establishment of a clear and consistent agricultural policy framework for the development of farming.

New challenges but also opportunities for the development of the rural regions are reflected in more intensive activities to combat bird flu and in measures to support adaptation to the impacts of climate change.

For example, the Federal Ministry for Economic Cooperation and Development is supporting two partner countries, Indonesia and Vietnam, in their efforts to combat bird flu by establishing country-wide early warning and monitoring systems, with each country receiving EUR 4 million in funding. A further EUR 4 million is available primarily for urgent action in Africa.

African farming is already exposed to additional risks due to increased climate variability, and traditional knowledge of formerly adapted cultivation methods has lost much of its value. The social and economic vulnerability of the farming population has already increased greatly as a

result. A dramatic worsening of the already catastrophic food situation can therefore be expected unless agriculture can be adapted to these changed conditions in time.

International agricultural research faces a major challenge here: in the short term, it must improve forecasting mechanisms, agricultural extension systems and supply management. In the medium term, research is required to ensure that crops and animals that are adapted to the changed local conditions are available for the human food supply in future too. Given that time periods of up to 25 years are required to bring selective breeding research and trialling of appropriately adapted cultivation methods to the point where they can be deployed in practice, massive investments are required today.

Germany has made the adaptation of African agriculture to the impacts of climate change a research priority, with funding of EUR 10 million from international agricultural research.

Desertification and Drought

Strategic Framework for combating desertification in Germany's development cooperation: UNCCD, MDGs and the Paris Declaration

Germany has made the United Nations Convention to Combat Desertification (UNCCD) since its creation an instrument of choice for its policy to combat desertification and drought and for sustainable management of land. More than ten years after the Convention has entered into force in 1996, Germany continues to view it as a key reference point and strategic instrument of its development cooperation.

As a signatory state to the UNCCD and as a country hosting the UNCCD Secretariat, Germany is committed to support the Convention's successful implementation. It presently makes annual contributions of 8,388% to the budget approved by the Conference of the Parties in 2005 and provides voluntary contributions to the UNCCD Secretariat.

The Federal Ministry of Economic Cooperation and Development (BMZ) is the German focal institution for the UNCCD. BMZ's overall policy framework is determined by the Millennium Development Goals (MDGs) of the United Nations, to which Germany committed itself in 2000 as an overarching task, and the *Paris Declaration on Aid Effectiveness* of March 2005, in which the international community as a whole pledged to better coordinate and integrate its development activities, to align such activities more closely with the priorities and programmes of recipient countries and to improve management by means of impact-oriented tools. Furthermore, donors agreed to increase their Official Development Assistance (ODA) to 0,7 % of their respective gross national product by 2015.

The new architecture of international development cooperation offers new opportunities for sustainable land use and the UNCCD. In some ways, the MDGs and the new standards spelled out in the Paris Declaration are already taken up in the UNCCD. For example, the Paris Declaration matches well with the UNCCD principles of committing donors to harmonise their separate aid activities and to align them closely with the development programmes of partner countries. The MDGs 1 and 7 set clear targets to eradicate poverty and hunger and ensure environmental sustainability respectively. The UNCCD appears to reflect these new goals rather well.

The MDGs can only be achieved through interventions to protect the environment. Concerning Poverty Reduction Strategy Programmes (PRSP) which are at the fulcrum of all donor actions, one would expect internationally agreed environmental measures to be integral part, but in reality PRSPs frequently neglect the environment. UNCCD could be a vehicle to mainstream environmental and land use issues into the PRSPs to sensitize both policymakers and public opinion on the issues and thus provide adequate budget allocations.

Concrete actions taken and progress made in implementation

Bilateral and Multilateral support

UNCCD obliges affected developing countries to design strategies against land degradation in so-called "National Action Programmes" (NAPs) and to reconcile them with existing measures in the fight against poverty. The developed country parties are requested to provide substantial financial contributions so that the proposed measures can be enacted.

The BMZ has launched a broad range of projects and programmes that help partner countries in Africa, Asia and Latin America to implement their respective NAPs (Fig. 1).

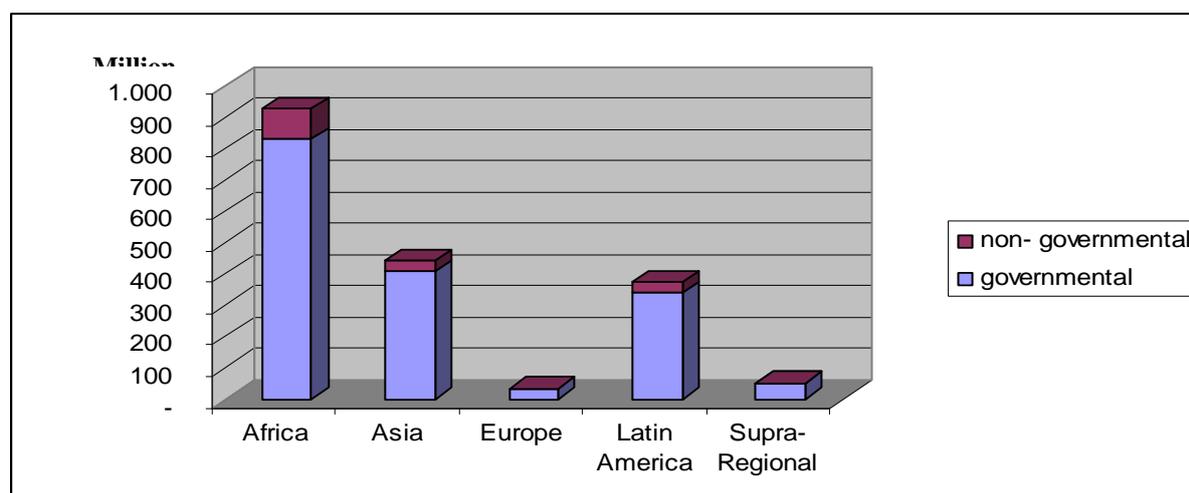


Figure 1: Total sums of funding by the German federal government for UNCCD-related projects ongoing in 2005
Source: BMZ Dasy Database

The German Government views its support for implementing the UNCCD as a cross-institutional task that combines bilateral and multilateral approaches. Germany considers that combating desertification and drought is not a sector-specific task but rather one that cuts across all sectors. Only about half the projects are located in sectors typically devoted to combating desertification, namely agriculture, water management and forestry in arid regions (table 1, based on CRS reporting¹)

Table 1: Distribution by sector of the funding volume of ongoing projects aimed at combating desertification (not all NGO projects or older state-implemented projects have a CRS key; the table therefore only includes ongoing state-implemented projects at least since 1996)

Sector	EUR	%
Water	76,351,008	5%
Agriculture	388,219,875	26%
Forestry	147,355,000	10%
Rural development	197,822,153	13%
Environmental policy and management	109,318,876	7%
Other sectors	96,146,000	6%
Not possible to allocate to any sector (e.g. poverty reduction)	482,599,547	32%
Total	1,497,812,459	

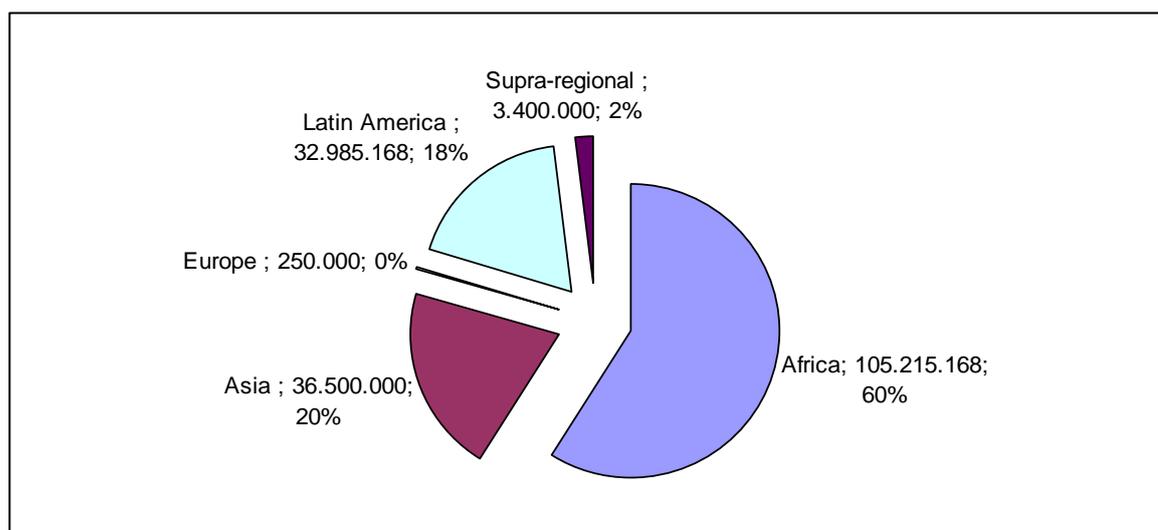
More than that, combating desertification is an integral component of poverty reduction and rural development and requires supporting measures in areas such as governance, decentralisation, capacity building, economic reform and others.

The main thrust of support for combating desertification derives from numerous bilateral cooperation projects. While addressing desertification problems in all regions, Africa is clearly the focus of Germany's support for UNCCD implementation (Figure 2)

At a bilateral level, the BMZ commissions several state implementing organisations (KfW, GTZ, DED) as well as non-governmental organisations (private and church funding bodies, foundations) and research institutions.

¹ OECD DAC Creditor Reporting System

Figure 2: Funding commitments by the German federal government for UNCCD-related projects in 2003/2004 (in € and %)



In 2005, the German Government financed 679 projects worldwide that contributed in different ways to implementing the UNCCD and to combat desertification. These projects were run by state and non-state implementing organisations. The overall sum of funding for these projects over a period of several years was approx. EUR 1.8bn. Thereof, the state implementing organisations were involved in 278 projects with an overall volume of approx. EUR 1.6bn, while the German non-state development organisations implemented 401 UNCCD-related projects worldwide in 2005. They received ODA funds through BMZ for this and topped up by their own financial resources. The total amount of funding through BMZ for these projects was approx. EUR 166m. With 51% of total funding, Africa came top of the list, followed by Asia (24%) and Latin America (21%).

Table 2: Number of UNCCD-related projects (ongoing in 2005) and total amount committed by German development cooperation, sorted according to UNCCD relevance (according to OECD/DAC criteria)

	Number of projects per UNCCD marker			Total amount committed per UNCCD marker (million €)		
	A	B	C	A	B	C
Africa	92	226	12	424	445	59
Asia	57	79	5	264	155	23
Europe	5	2	0	7	27	0
Latin America	61	128	3	208	159	8
Supra-Regional	4	4	1	29	12	10
Total	219	439	21	932	799	100

In terms of multilateral cooperation in the field of desertification control and drought, Germany provides a considerable share of the funding of multilateral institutions involved in UNCCD implementation like the EU, UNDP/UNSO, UNESCO, UNEP, FAO, the World Bank and regional development banks. However, it is not possible to quantify which share of the German contribution to these organisations directly serves UNCCD-related activities. With its contribution to the GEF (US\$293.67m for 2002-2007) which makes up 11,5% of its budget, Germany is the third largest donor of the GEF.

Measures aiming at the implementation of UNCCD are not limited to “classical” projects and programmes that deal with establishing action plans or supporting technical measures for erosion control, but include also broader programme approaches.

These broader programmes frequently aim at the integration of desertification concerns with recipient countries development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research. Capacity development and policy advice, adjusted to the situation in each country, are aimed at

- participatory involvement in designing and implementing a NAP
- strengthening civil society participation in the implementation of the UNCCD
- strengthening inter-institutional steering committees, including decentralised structures
- integrating UNCCD goals into sectoral and regional policy
- NAP management, in particular monitoring and evaluation capacity, as well as
- improving management of knowledge with regard to combating desertification.

To help the countries of Africa, Asia and Latin America draw up their National Action Plans (NAPs), the BMZ has established special assistance instruments. These include regional projects in Africa, Central America, the Caribbean and Central Asia as well as the supra-regional German UNCCD project helping to mainstreaming desertification in German development cooperation.

Fostering consultation processes and forging strategic partnerships are further priorities. The mobilisation of financial resources, in particular, is one element of such partnerships.

After intensive dialogue with partner countries and in an effort to further improve efficiency of its development assistance, Germany has proceeded to a geographical and thematic concentration. Thus desertification control has to be aligned with relevant sectoral priorities, e.g. sustainable agriculture, renewable energies, environmental policy advice, environmental education and disaster risk management in Latin America, sustainable water resources management in the Middle East and the Mediterranean. In Africa, in view of mounting desertification-related losses of arable and pasture land, natural resources management remains a key priority. Efforts focus upon the sustainable use of the natural potential for poverty reduction, particularly in rural areas. Cooperation in the field of good governance for peace, conflict prevention and democratisation, and in the field of private sector promotion shall contribute to establishing favourable framework conditions for sustainable development.

Consultative processes and Strategic Partnerships for effective desertification control

Germany's support for harmonisation processes among donors and the creation of strategic partnerships as preconditions to combating land degradation effectively, have generated positive results overall. Coordination activities within the donor community and processes of coordination with the regions' countries aiming at a better alignment of ODA with national programmes and policies, have acquired greater importance in Germany's cooperation policy. The aim was to bring about binding operational agreements between donors and affected countries that would improve living conditions in the regions affected by desertification. These partner-

ships are also intended to facilitate the best possible use of comparative advantages that exist among the various organisations, particularly with regard to the different levels of intervention and specialist expertise. The key ingredient in their success is the political status accorded to the convention both by the partner countries and the donor organisations. It has to be recognized that these processes place heavy demands on individual partner organisations in terms of commitment, flexibility, transparency and communication skills.

The following examples are meant to highlight the specificities of different initiatives in different regions.

- **Case study Dominican Republic and Haiti:**

The “hotspot” on the island lies in the border region between Haiti and the Dominican Republic. With the ratification of the UNCCD, awareness of the intensive interplay between poverty and soil degradation increased. The “Plan d’Accion Nacional para la zona Fronte-riza” was launched as a coordination mechanism to orchestrate the development efforts undertaken by international, national and local organisations in the border region. This initiative gave the necessary impetus to the national UNCCD processes in both countries and ultimately prompted the formation of national coordinating bodies and the signing of cooperation agreements with the various international organisations. Key outcomes of these agreements include raised awareness of the UNCCD in the two countries, the formation of a platform for cross-border policy dialogue, the consolidation of the coordinating bodies, training for government staff and cooperation in two bi-national GEF projects. Germany’s contributions mainly take the form of human resources and technical cooperation projects.

- **Case study Brazil:**

Coordination among donors was formalised in view of the CCD process. During the development of the NAP, advice for the CCD focal point was largely provided by German development cooperation and the IICA, while the Global mechanism mainly delivered financial support. After the alignment of the World Bank-funded poverty reduction programmes, the German organisations have been working with the WB and IICA as the organisations responsible in the implementation of these measures. Cooperation in Brazil is impeded by the size of the country and the sheer diversity of projects. The German development cooperation having been present in many federal states and the wealth of experience acquired over many years has been very beneficial in developing the NAP, formulating suitable programmes and enabling NGO partners to be integrated into the NAP process. The commitment of the Brazilian Ministry of External Relations – not only the Environment Ministry – claiming ownership of the process, was critical to enhance complementarity, create synergies and open up new opportunities for better alignment between the international contributions and well-funded national programmes.

- **Case study Central Asia:**

In Central Asia, Germany is involved in new and more far-reaching approaches to partnership building. After a series of initial experiences, Germany joined with other donors to create a Strategic Partnership Agreement (SPA). With the Asian Development Bank acting as lead agency and with support from the Global Mechanism (GM and the GEF, SPA members created a new regional initiative, the Central Asian Countries Initiative on Land Management (CACILM) aimed at improving land management and developing a broad range of operational goals. CACILM in the meantime has generated concrete results. All the Central Asian countries have approved a National Programming Framework for shaping policy and channelling investment in the area of land management and all the partners approved an initial investment package of US\$ 158m. Germany’s contribution to the success of CACILM was not only being an initiator along with GM and ADB, but also its involvement in the political and specialist aspects of the process, the financial support of country working groups,

the integration of current projects in the investment programme and its involvement in the overall funding of CACILM.

- **Case study Middle East:**

Germany has been supporting the Arab Centre for Studies of Arid Zones and Dry Lands (ACSAD) since 2000. Germany is cooperating with the GM, the UNDP Dryland Development Centre and the Lebanese ministry of agriculture on the development of a long-term funding strategy for implementing the NAP. In the planning and implementation of pilot measures, for example, more efficient irrigation schemes, reforestation measures and pasture management, German assistance resources are pooled alongside those from partner organisations national programmes and other partners. The initiative is also very successful in strengthening networking between Arab and European research institutions and, in particular, the process of networking the regions' remote sensing centres with the aim of improving regional and national capacity in remote sensing.

- **Case study Mali:**

The German, GTZ advised the Malian UNCCD focal point and supported regular in-country donor coordination since 1994. Furthermore the project advised and supported the Malian focal point in efforts to create synergies between the three environmental Conventions. The strong "chef de file" role in Mali has facilitated a broad-based public dialogue at national level on NAP elaboration. With decentralisation approaches/policies gaining importance in Mali, the responsibility for community development management was transferred to the local communities. It is now critical to integrate sustainable land use systems in the rural community planning. To this end, the community development programme PACT ("*Programme d'Appui aux Collectivités Territoriales*") presently supports 95 rural communities along the river Niger in their development planning, in particular to establish in a participatory process rules for the sustainable use of their natural resources. This is done at village as well as district level. Most villages live on agriculture but fertile soils, pasture and water become increasingly scarce. Even though most land still belongs to the government, the communities have considerable influence on land use rules and regulations including punishment.

- **Cooperation in the field of research**

The *German Competence Network for Research to Combat Desertification* (DesertNet) (<http://www.desertnet.de/>) aims at investigating the complex causes and effects of desertification in interdisciplinary research approaches. It also wants to involve policy makers and public institutions, as well as to link national expertise with international research. Desert-Net, as a network of scientists and experts, provides rational data outputs, gives advice on scientific methods and projects and promotes cooperation between institutions in Germany that work in various fields of desertification research. In October 2006, it has launched the European DesertNet Initiative which has taken up its activities.

- **Desertification and land degradation assessment**

The "*Observatoire du Sahara et du Sahel*" (OSS) is targeted at South-South and North-South partnerships within the context environmental monitoring and transboundary resources management. Germany has been supporting OSS activities on setting up national monitoring systems for desertification in the context of National Action Programmes. In cooperation with bilateral projects, National Monitoring systems have been set up in Tunisia and Morocco. In other countries like Argentina and Namibia national monitoring systems have been set up in cooperation with bilateral projects.

The role of global governance in combating desertification - German experiences and recommendations

German experience shows that the UNCCD has potential to mobilise actors and resources for sustainable land-use approaches in drylands. Moreover, as the Millennium Ecosystem Assessment has shown, sustainable land use is a key factor in realising MDGs1 (eradicate poverty) and 7 (ensure environmental sustainability). Political will and the commitment of all relevant partners, however, is an essential precondition.

- Integration of the UNCCD within the new architecture of international cooperation is a key parameter determining the success of UNCCD's future implementation. This means that actors must harness the opportunities that arise from creating more coherence between donors and recipient strategies at all levels, and from joint financing arrangements. In the same vein, it is more important than ever before to make the theme of desertification control a political priority in developing countries.
- There has already been success in better integrating the instruments of bilateral cooperation and dovetailing these with multilateral development cooperation. The factors that determine the success of these moves are the transparency of investment, partners' political priorities and procedures, the trust that it engendered by good communication among partners, and, not least, the joint experience gathered in implementation.
- Partnership-based approaches and innovative forms of financing are a first, successful step towards the new architecture of international cooperation.

However, German development cooperation experience also shows, that the strategic potential of the UNCCD to tackle one of the most important global challenges – to maintain the productive capacity of 41 % of the Earth terrestrial area is still not harnessed fully. Chief among the limiting factors are insufficient financing compared to its two Rio sister conventions, a weak scientific basis, insufficient advocacy and awareness among various constituencies, institutional weaknesses and difficulties to reach consensus among parties. Concerning the NAPs, being the most important instrument to translate the Convention's objectives into practical action, the Convention has failed to oblige countries to lay down clear indicators, responsibilities and timelines. There has been a general lack of clear and binding guidance regarding the methods and contents of NAPs and on how the overall objectives of the Convention translate into concrete measures and activities at country level.

The UNCCD operates today in an environment that has considerably evolved since the days it was negotiated and faces now opportunities and constraints that will condition its implementation in the upcoming decade. The policy environment has changed considerably since Rio including increased support to Africa and least developed countries, stronger commitment for climate change mitigation and adaptation, prospects of global agricultural trade liberalisation, and growing numbers of environmental migrants shedding new light on the impacts of poverty and environmental degradation.

The scientific environment has also evolved with the work of the Millennium Assessment on dryland ecosystems. It has contributed to improve understanding the biophysical and socio-economic trends related to land degradation in drylands, and their impact on human and ecosystem wellbeing and map out key data gap in this field.

The financing environment has also changed profoundly in the last decade with the GEF becoming a financial mechanism of the UNCCD, ODA flows increasing again after a decade of stagnation, and declining resources for rural development and agriculture. Donors have refocused their financing strategies to support country-driven priorities, based on PRSPs and other country-led development planning instruments. Lastly, innovative financing instruments have come to life, including payments for ecological services, carbon finance and others.

Therefore Germany emphasises the need to

- establish a connection between poverty reduction and resource protection
- define an explicit environmental goal in order to advance sustainable development
- promote sustainable land use systems in arid environments and incorporate them into superior development strategies as well as into climate adaptation and mitigation strategies.

Germany would like to emphasize the outstanding importance of good global governance and the application of its principles: clear analysis, coherent action, transparency and sound management. Good governance applies not only to the actions of governments but also to international political instruments like the three Rio conventions. Their close interaction, connection and complementarity needs to be enhanced through multi-sectoral approaches.

Governance elements of the Convention can and must be newly interpreted with regard to a changing development context by précising goals and formulating expected changes, by concentrating on the essentials and recognizing that “form follows function”.

The way forward: UNCCD Ten-Year Strategy

For all the above reasons, Germany welcomes the adoption of the “Ten-Year Strategic Plan and Framework to Enhance Implementation of the UNCCD (2008–2018)”, at the 8th session of the Conference of the Parties in September 2007. Germany is committed to this landmark process and has actively participated in the working group which prepared the draft strategy. From Germany’s practical experience, the following elements are considered to be key elements for the future strategy:

1. **Enhanced efficiency and accountability of Conventions Bodies:** Convention bodies will be re-shaped, have to develop their RBM multi-year programmes of work in line with the Strategy and will report regularly on progress. The envisaged result-based work programmes of the secretariat and the other subsidiary bodies will be clearly aligned to the Strategy’s objectives and relevant indicators developed to allow for proper evaluation. The coordination of work of the different subsidiary bodies will be improved to better allow for targeted joint activities
2. **Performance Monitoring:** The development of indicators and an independent mid-term evaluation of the Strategy will allow more efficient performance monitoring and evaluation
3. **Links with climate change:** The Strategy underscores the importance of desertification control for climate mitigation and adaptation to climate change and for the MDG attainment
4. **Improved scientific excellence:** The CST expertise and composition will be improved to produce sound scientific output and policy-oriented recommendations in order to make UNCCD institutions become a global authority on land management issues;
5. **Mainstreaming:** National Action Programmes to combat Desertification as the most important instrument to translate the Convention’s objectives into practical action need to be mainstreamed in national strategies and policies and donor programming and Maintaining the Chef de File approach as a best practise for coordinating and streamlining the different donor efforts and resources
6. **Enhanced Investments:** GM and GEF to be strongly invited to promote and facilitate the mobilization of funds for subsidiary bodies and developing countries’ actions

In adopting the “The 10-year strategic plan and framework to enhance the implementation of the Convention, (2008 – 2018)” at the 8th conference of the parties, Parties have engaged in an important reform process which includes UNCCD bodies as well as all Parties. Adopting the strategy expresses a fresh look at ways to adjust the Convention to the new fundamentals of development cooperation. Nevertheless, political will among both the affected countries and the donor countries is needed in order to make desertification a priority on the agenda of deci-

sion makers. It is a unique opportunity to revitalize the UNCCD as an essential instrument recognizing that the issues which gave rise to the Convention are even more pressing today than 10 years ago. Donors and affected countries should therefore actively engage in the implementation of the “Ten-Year Strategic Plan and Framework to Enhance Implementation of the UNCCD (2008-2018)”.

Land

Planning and development of land resources

The most important aims of sustainable *Land* and regional planning in Germany are sustainable land use, and reducing land use through sustainable management of human settlements and conservation of open spaces, supported by cross-sectoral strategies and visions for cultural landscapes.

Regional plans are the central policy instrument. The determinations they contain governing settlements and open spaces play a substantial part in restricting the scale of land use, improving development quality and optimising site factors.

German *Land* and regional planning has distinctive coordination procedures for settlement, open-space and infrastructure development. These operate at supramunicipal level and are geared to supralocal requirements. Furthermore, its land resources policy is characterised by an emphasis on making effective and economical use of land. Stipulations designed to encourage inter-municipal and regional cooperation support the supralocal coordination of settlement and open-space development in peri-urban zones and agglomerations.

Regional planning at the federal level and at *Land* level is aimed at integrating the economic, social and environmental goals of sustainability for the purposes of sustainable land-use management, conserving resources and safeguarding development potential. Accordingly, regional planning seeks to take balanced account of the spatial implications of new demand for land, e.g. for energy generation or the cultivation of replenishable resources, and other needs such as economic development and mobility. For the future, sustainable spatial planning in Germany will primarily mean safeguarding the diverse functions of land through active management of land resources, acknowledging both the competing forces behind growing conflicts over use and the underlying necessity for prudent management of land and soil as natural resources.

Preservation of open spaces is intended to conserve the capacity of natural systems to perform their essential functions and to safeguard the use of natural resources in the long term. Safeguarding and developing open spaces and their ecological functions is a fundamental element of sustainable spatial development.

The goal of reducing land use is a further central element of sustainable spatial development in Germany. It is in the vital interests of a densely settled country like Germany to conserve soil, both for the ecological functions it performs as a life-sustaining resource base and habitat for humans, animals and plants, and for its role in the natural ecosystem and in hydrological and natural cycles. At the same time, it remains a necessity to develop existing and future land use for diverse functions – e.g. for settlement, recreation and transport, for the production of food and replenishable resources, for economic and public uses and for nature conservation purposes – in keeping with the principle of sustainability. Land use today is increasingly influenced by changing socio-economic conditions. Trends like the predicted decline in the population, worsening regional disparities in development, an ageing society and the problematic state of local public finances in certain areas, or indeed increasing sensitivity to the consequences of climate change, all call for a new approach and for regionally adapted strategies.

In German regional planning, economical use of land is understood as a complex management task which is implemented successfully through the combined and coordinated deployment of instruments within a regional network of planning authorities. The growing amalgamation and integration of regional land management is consistently pursued as an objective, as indeed are

improved regional cooperation and the continuation of land monitoring, which provide new impetus for a land policy guided by the principle of reduced use. Further policy instruments which can be implemented within a regional amalgamation of authorities include regional commercial development site pools and mitigation site pools. In parallel to this, efforts are currently in hand at municipal level to phase in local land management systems.

Settlement area management and reduction of land use

It is the German government's stated objective to preserve open spaces in suburban areas and along major settlement and transport corridors by means of an integrated open space and settlement policy and by restricting further land take for settlement and transport purposes. The objective of economical land use must be weighed against other objectives, such as the economic growth necessary to reduce unemployment or the sustainable provision of housing, and ways must be sought to reconcile the different objectives as far as possible.

Despite the progress achieved so far, the German government plans to optimise existing instruments and to revise or completely renew strategies applied in the past in order to scale back the increase in land use.

The following priorities will be pursued:

- Cross-border responsibility and cooperation for resource-conserving land management needs strengthening at regional and municipal level;
- Priority must be given to development of infill sites within settlements before developing green-field sites;
- Planning instruments must be supplemented with further economic incentives;
- Subsidies, taxes, levies and support programmes must be reviewed for their potential to help reduce land use. Social, economic and financial effects must be taken into account;
- The dialogue between actors involved in the planning and realisation of settlement and transport sites must be pursued and intensified, and then supported with model projects at regional and local level;
- Due to economic structural change and the declining population, there are increasing numbers of vacant sites, e.g. derelict commercial, military and industrial sites, agricultural fallow areas and vacant sites from the demolition of residential property. The regeneration of such vacant sites, e.g. through further enhancement of functional city centres, must be borne in mind by planners in their designation of development zones.

The new model for a contemporary sustainable regional planning system capable of overcoming land-use conflicts is envisaged as a combination of the 'hard' determinations associated with classic, planning-based spatial policy along with 'soft' management methods. The blend of 'soft' management and 'hard' determinations still acknowledges the classic regional planning tradition, with *Land* and regional tiers of planning as the core operational levels, implementing legally binding determinations. Streamlined and efficient regional plans are deemed especially appropriate to satisfy the spatial planning aim of 'soft' management and 'hard' determinations. In this connection, mention should be made of spatial planning determinations for preventive flood protection, for example, or for the development of river landscapes or for large-scale retail complexes.

Cross-sectoral competence-building strategies and visions for cultural landscapes

Competing interests and demand for land use, particularly in relation to natural landscapes, look likely to become increasingly divergent over time. Future developments harbour uncertain

conflict potential, with impacts on landscapes that cannot readily be predicted. Regional planning policy at federal and *Land* levels seeks to further intensify cross-sectoral and public discourse in future, in order to determine more precisely what preferences and possibilities exist for different areas. The concerns of the key industry sectors of tourism, energy, agriculture and forestry should continue to figure prominently in planning considerations. Moreover, there are plans to elaborate, at regional level, models for the way different cultural landscapes can develop.

Riverine landscapes and flood protection

The severe floods that affected Germany in the recent past dramatically highlighted that preventive, comprehensive flood protection relies on precautionary regional planning measures to limit potential damage and safeguard floodplains. It also calls for national and transnational cooperation on physical and land-use planning, water resources management, agriculture and forestry, the purpose of which is continuous improvement of safety standards and an adapted land-use planning system.

The aim of the German government is therefore to step up support for joint regional planning strategies within the framework of cross-border development, backed by the promise of regional implementation. These efforts will include equitable reconciliation of the interests of upstream and downstream riparian communities. In relation to the use of river landscapes, coordination and balancing of the different interests must always be carried out with a view to ensuring preventive flood protection.

Regional planning in Germany's territorial seas and Exclusive Economic Zone; integrated coastal zone management

In recent years, traditional uses of Germany's marine waters and coasts, e.g. shipping, fisheries, gas and oil drilling, leisure and tourism or nature conservation, have been joined by additional demands for use for such purposes as offshore wind farms, Natura 2000 conservation areas and various forms of aquaculture. The North Sea and the Baltic Sea are under growing pressure from a myriad of competing state, economic and private interests and conflicting demands for use. Two new projects of the German government are intended to develop a comprehensive and farsighted regional planning system to coordinate conflicts over use and resolve them in keeping with the principle of sustainability.

- The German government's report of 13 March 2006 to the European Commission on the 'National Strategy for Integrated Coastal Zone Management' represents an important step in utilising the contribution of regional planning to cross-sectoral and supralocal consultation and coordination of the various levels of planning, in order to establish harmony among the divergent demands for use, development potential and conservation interests in the marine and coastal environment.
- The Federal Ministry of Transport, Building and Urban Affairs is currently working on a regional plan in the form of a statutory ordinance. It contains targets and principles of regional planning for industrial and scientific use, and addresses how to safeguard the security and ease of marine shipping and to conserve the marine environment in Germany's Exclusive Economic Zone.

Enhancement in sustainable tourism development

Background

The German government devotes great attention to the field of environment and tourism. Its policy measures, from international to subregional level, pay due heed to the fact that environmental problems are not confined to individual regions, they have global impacts.

Tourism is one of the most dynamically expanding sectors worldwide. In Germany, tourism (holidays, business and day trips) contributes around 8% to the gross domestic product, and accounts for around 2.8 million jobs. This makes tourism a significant economic factor, the importance of which will continue to grow in Germany, based on the available forecasts.

Tourism, more than almost any other sector, is reliant on intact natural and environmental resources. Tourists and travellers are becoming increasingly perceptive of environmental problems, which may even influence their choice of destination. By the same token, enjoyment of nature and natural landscapes are among the key motives for taking holidays. An assessment of the environmental problems caused by tourism shows a multifaceted picture: aviation is one of the major sources of greenhouse gas emissions and causes especially high levels of environmental pollution. In contrast, water consumption, waterway use, waste volumes and noise pollution only generate discernible environmental pressure on a seasonal and localised basis in Germany.

In the light of the fact that aviation, especially long haul flights, is by far the greatest source of tourism-related environmental pollution, every effort to reinforce domestic tourism in Germany contributes to reducing the burden on the environment. Furthermore, such initiatives are associated with positive economic and social impacts for the target regions. Hence the measures supported by the German government are targeted primarily towards structurally weaker rural regions.

In the year 2000, more than two million Germans took cycling holidays. It should be noted that the greater part of a cycling holiday is spent in Germany rather than abroad. Overall, cycle tourism contributes approximately EUR 5 billion to Germany's overall turnover for tourism.

Measures to improve sustainable tourism

International level

At international level, the German government is committed to environmentally sustainable tourism, primarily within the framework of the Convention on Biological Diversity and the Alpine Convention, and supports the corresponding objectives of the conventions.

EU level

The expected worldwide growth of tourism will play a substantial part in heightening the pressure on land resources, particularly for the regions most richly endowed with natural and cultural assets. In response, the European Charter for Sustainable Tourism in Conservation Areas was developed. It will contribute to fostering the development of tourism in harmony with issues of nature conservation and environmental protection. The German government has supported initial testing of the European Charter in three pilot nature parks in Germany (Steinhuder Meer, Frankenwald and the Isle of Usedom).

National and regional level

To stem the greenhouse gas emissions caused by aviation, the German government is supporting the 'atmosfair' project, an initiative for climate-conscious air travel. 'Atmosfair' enables any airline passenger to calculate for themselves the quantity of greenhouse gases produced by their flight, and the cost in Euro of offsetting this amount of emissions.

In 2006, the German government launched 'Energiekampagne Gastgewerbe', the energy efficiency campaign for the hospitality industry. The campaign aims to provide hotels and restaurants with guidelines on efficient energy use, and has already attracted approximately 3500 participants in 2 years.

The national environmental umbrella brand 'viabono' introduced by the German government integrates measures relating to the tourism industry and to consumers. In addition to presenting consumers with guidance, this has significantly increased the proportion of environmentally-focused tourist packages on offer, and consequently boosted demand for such offers.

Rural Development

Rural areas are facing major challenges today which arise mainly from globalisation, demographic change and the rural migration of young, well-trained people. Policies for rural areas aim to contribute to recognising and making use of strengths and opportunities.

Background

With its rural policies Germany aims to ensure that the infrastructural prerequisites for decent living conditions in rural areas are fulfilled and that existing and new potentials are developed through economic development.

Environmental concerns are also considered and integrated during the planning phase of programmes of measures to support rural areas. A large share of policies targeted at land use in rural areas serves to promote agrobiodiversity and environmental measures in agriculture.

Access to services and infrastructure is generally available nationwide in Germany (drinking water supply, sewage treatment, mail, telecommunications, transport). The quality of these services, however, differs from region to region. One field which needs improvement is sewage treatment where, for economic reasons, the number of decentralised systems is growing. The call for nationwide access to broadband in the field of IT and telecommunications creates new challenges. Furthermore, employment opportunities are not always sufficiently available in rural regions. The German government is taking various measures to improve the situation.

Integrated rural development

Rural development is also a European concern. At EU level, it was not until after the reform of the EU's structural policy in 1988 that a gradual but lasting change in the perception of rural areas occurred during the early 90s. Before, during the 1950s, the supranational efforts to ensure security of supply for European citizens and, therefore, agricultural production were priorities when the Common Agricultural Policy (CAP) was developed.

Already during the early 1960s, however, security of supply was achieved and the production of the most important agricultural goods showed a constant structural surplus. In addition, as a consequence of structural change, small scale and extensive agriculture disappeared. The migration of the rural working age population led to economic and social decline, in particular in border and mountain regions, on islands and in other remote regions. These adverse developments triggered the change in the perception of rural areas.

With its Communication on *The Future of Rural Society* and the subsequent reform of the Common Agricultural Policy, the Commission gave an impetus at the European level for problem solving strategies going beyond policies which solely focused on the agricultural sector. Another reform of the CAP in 1999, the Agenda 2000, introduced a distinction between policy areas of the first pillar of the CAP (including traditional export subsidies, market intervention and direct payments) and the second pillar, the development of rural areas.

During the funding period 2007-2013 rural development will be co-financed with about 10% of the CAP budget through the European Agricultural Fund for Rural Development (EAFRD), which was expressly created for this purpose. Compared to total EU expenditure for agriculture and regional development, however, this share is still very small.

The introduction of a specific category "Policies for rural areas" cannot belie that these policies still mainly consist of support measures targeting agriculture and forestry and are motivated by

agricultural policy considerations. Furthermore, in most EU Member States and at EU level the responsibilities for this sector remain under the traditional roof of agricultural policy.

To sum up, regardless of where the competences for this sector lie, rural development is much more than developing agriculture. According to the OECD, for example, agriculture "is no longer the backbone of rural economies."² Agricultural policies so far have focused on support for farms and other agricultural facilities. Despite major subsidies, these policies did not succeed in triggering or improving rural development.³ Therefore, the OECD calls for a rethinking and champions integrated approaches in a "new rural paradigm". The two main characteristics of this paradigm are: "1) a focus on *places* instead of *sectors*; and 2) a focus on *investments* instead of *subsidies*."⁴

Model project "Active Regions - Shaping Rural Futures": a contribution to further advancing integrated rural development

Background to the "Active Regions" project⁵

The model and demonstration project "Active Regions - Shaping Rural Futures" was launched in the form of a nationwide contest by the German Government in 2001. The contest addressed regions which would, as a model, implement approaches to the four aims of

- consumer focus,
- nature-friendly and environmentally compatible agriculture,
- strengthening rural areas and creating additional sources of income and
- fostering rural-urban connections.

Taking the above-mentioned goals into consideration, interest groups of the regions had to create regional partnership networks and draw up an integrated regional development plan (REK) based on the specific strengths, weaknesses and potentials of their region.

At first the "Active Regions" project period was limited to the end of 2005. However, the project was then updated with regard to contents and extended to late 2007.

The new element of the "Active Regions" steering approach is the consequent shift in the four pillars of steering and responsibility and the obligations this entails for the 18 model regions with regard to:

- processes: regional partnership network as central decision-making body and the responsible regional management body as central service-provider of the region;
- contents: steered by objectives and evaluation and the regional partnership networks choosing the projects;
- finance: regional budgets support integrated projects;
- administration: partner for implementation at local level, reviews financial and technical requirements.

The findings of recent regional research were incorporated into the "Active Regions" steering approach. Firstly, it has been realised that integrated regional development cannot be induced from the outside or top-down but rather has to make use of the potentials of a region itself, which lie in the respective geographical, economic and social conditions. Secondly, the approach follows the results of discussions on regional governance, which points to the importance of regional cooperation and also the need to manage regional affairs and provide political guidance at the regional level. Regional governance considers a region as part of a multi-level

² OECD 2006. Rural Policy Reviews. The New Rural Paradigm. POLICIES AND GOVERNANCE, p. 41.

³ OECD 2006. Rural Policy Reviews. The New Rural Paradigm. POLICIES AND GOVERNANCE, p. 22.

⁴ OECD 2006. Rural Policy Reviews. The New Rural Paradigm. POLICIES AND GOVERNANCE, p. 60.

⁵ See also <http://www.modellregionen.de>

political system and recommends steering developments through binding objectives and competition as opportunities for innovative regional policies.

Results

The aim of "Active Regions" was creating and strengthening regional partnership networks for an integrated rural development in selected model regions. These aims were to be achieved by applying the five principles of regionality, partnership, reflexivity, integration and competition and their respective implementation tools. This steering approach has proven successful.

Although this approach was more time-consuming owing to the necessary harmonisation and coordination in particular within the model regions, it was widely accepted by the respective regions and at programme level.

It was also possible to show that supporting soft measures can lead to hard effects by initiating chains of effect through the impetus provided by support.

It becomes obvious that the approach of consequently shifting responsibility for a share of support measures to the regional level has paid off. Accordingly, it is recommended to support rural development in principle by means of regional-specific support programmes in future.

The ex-post analysis of hard effects in late 2005 revealed that a total of 1,464 jobs (full-time equivalent) can be attributed to effects of "Active Regions". 763 of these jobs were newly created and 701 jobs could be secured. Furthermore, direct follow-up investments of EUR 83 million were generated, EUR 57 million of which came from private sources. In comparison, the overall funding for the projects totalled about EUR 72.9 million from 2001 to 2005. Almost 68% were financed through "Active Regions" funds, the remaining sum was co-financed by public (5.9%) and private (26.5%) sources.

The economic analysis of the total effects of "Active Regions" within the framework of a cost-benefit analysis revealed an average net benefit of approximately EUR 2.3 million per region by the end of 2006 (follow-up investments, employment and value added effects minus support funding and resources spent by the model regions themselves). Over a 10-year period a total accounting value of about EUR 3.4 million is projected per region.

In addition, the soft effects recorded within the framework of a utility value analysis must be highlighted, which cannot be adequately expressed in monetary terms but which can be expected to have further hard economic effects in future. In particular the improved networks among actors within a region, the development of high-quality regional services and the increased awareness for a region are considered positive results.

The results are taken into account for the further development of support policies. As a first consequence, the funding principle of integrated rural development was introduced already in 2004 when the Joint Task for the Improvement of Agricultural Structures and Coastal Protection (GAK) was drawn up:

- Funding is geared at rural regions which want to take joint action for their future development.
- Various measures for the improvement of regional structures (land consolidation, rural road construction, village development) were merged and expanded by strategic elements.
- Support for regional management and the drawing up of integrated rural development plans was introduced. Based on these development plans landscape management measures, direct marketing and tourism can be linked effectively, for example. Regions can and should choose their individual priorities for development.

National strategy plan for rural development 2007-2013

The national strategy plan is a new tool of a three-tiered planning process. Based on this strategy the Länder submit their development programmes for the upcoming funding period to the European Commission.

On 20 September 2005 the Council of the European Union adopted the Regulation on Support for Rural Development by the European Agricultural Fund for Rural Development (EAFRD regulation). This regulation is the basis for the second pillar of the Common Agricultural Policy (CAP) for the 2007-2013 period.

Policies for rural areas aim to back the reforms of the first pillar of the CAP while at the same time contributing to implementing the updated Lisbon Strategy for Growth and Jobs and the Göteborg sustainability goals. Rural development policy pursues three paramount aims:

- improving the competitiveness of agriculture and forestry by means of support for restructuring, development and innovation,
- improving the environment and the countryside,
- improving the quality of life in rural areas and encouraging diversification of the rural economy.

These objectives are being implemented through three thematic axes and one methodological axis. The latter supports local development strategies according to the LEADER approach (networking of actions to develop the rural economy).

For the first time, a three-tiered planning process has been introduced for the next programming period. The national strategy plan constitutes the link between the Community strategic guidelines and the development programmes of the Federal Länder.

The Community strategic guidelines show the major challenges, objectives and approaches from a European point of view. The national strategy plan analyses the economic, structural, ecological and social situation in rural areas in Germany and their potential for development. It contains an overall strategic concept as well as priorities for each axis, including quantification of the main objectives and indicators for monitoring and evaluation. In addition, the plan ensures the coherence of support measures with other policies at the national and European level and describes the regional distribution of the EU funds going to Germany.

In the development programmes, the regions (Federal Länder), depending on their specific situation and in accordance with the national strategy, define concrete support measures and allocate the financial resources. The regions are responsible for the preparation and implementation of the development programmes.

As in the past, Germany will submit to the European Commission a national framework (on the basis of the Joint Task for the Improvement of Agricultural Structures and Coastal Protection) including support measures which can be implemented by the Federal Länder in their programmes. A federal programme is presented for the national rural network.

The role of agriculture in rural areas

Agriculture continues to play an important role in rural areas, and in some regions it also contributes to economic growth. Small and medium-sized companies are certainly of even greater relevance, but many of them are again closely linked with agriculture in both upstream and downstream processes.

Potentials of the cultivation of renewable resources and use of modern biomass technologies for rural areas

Protecting our climate and securing energy and raw material supplies are key challenges. The German government places great emphasis on the replacement of finite fossil resources with renewable energies, in addition to improving energy efficiency and energy saving strategies. In this, renewable resources play a decisive role.

Potential sources of income

Bioenergy not only makes an important contribution to ensuring security of supply and climate protection, it also provides new sources of income in agriculture and forestry and thus fosters the development of rural areas, in particular through

- production and provision of raw materials for heat, electricity and fuels,
- processing and energy generation at agricultural holdings, and finally
- through price effects for resources produced for energy or food, which results primarily from increasing worldwide food demand and below average harvests but also from the increasing demand for bioenergy.

In order to keep a large share of the value added in the region, as many parts of the production chain as possible should remain there. This includes for example the provision, processing and marketing of fuels, but also the use in private, municipal or commercial biomass combustion plants.

According to estimates, more than 90,000 jobs in Germany are currently associated with the bioenergy sector. The economic significance of bioenergies which has now developed is in particular reflected by the turnover generated. Of the EUR 21.6 billion of domestic turnover in the renewable energies sector, in the year 2006 about EUR 8.2 billion (38%) could be attributed to the area of bioenergy. In view of the rapidly increasing numbers of biogas and wood combustion installations and the steadily growing land area devoted to the cultivation of renewable resources, this figure is expected to grow considerably over the next years.

In the short to medium term, the contribution to the value added in rural areas will be greatest if all material and energy options of biomass are used in parallel. In the medium to long term, also against the background of increasing competition over land, it has to be ensured that areas with the strongest value-added effects are predominantly supported. This is an advantage for biomass use for heating, which also makes the greatest contribution to reducing CO₂ emissions at the lowest (logistical) cost.

Targets and activities at national level

The German government has committed to a sustainable energy policy with a strong focus on the expansion of renewable energies. Its targets include

- increasing the share of renewable energies in electricity production to at least 12.5% by 2010 and to at least 20% by 2020,
- doubling the share of renewable energies in total energy consumption by 2010, reaching a share of 10% by 2020 and steadily increasing this share afterwards according to the national sustainability strategy,
- considerably increasing the share of biomass in primary energy consumption in the medium term and

- increasing the share of biofuels in total fuel consumption to achieve a net GHG reduction of 5% in 2015 and 10% in 2020 compared to fossil fuels resulting in a biofuel consumption of approximately 20% by volume or 17% by energy content by 2020.

These ambitious targets require the massive expansion of bioenergy and the corresponding adaptation of framework conditions and support instruments.

Overview: framework conditions and support instruments

In order to achieve the climate policy targets agreed, both the German government and the EU have defined appropriate framework conditions. On the part of the EU, this includes in particular the Biofuels Directive, the Energy Tax Directive, the energy crop premium, cultivation on set-aside land and the EU Biomass Action Plan.

At national level, the following support measures and framework conditions are to be mentioned in connection with the use of renewable resources and climate change: the Energy Tax Act, the Biofuel Quota Act, the Renewable Energy Sources Act, the Market Incentive Programme for Renewable Energies, and the Renewable Energy Sources Heat Act.

Current land use

In 2006, renewable resources were grown on 1.6 million hectares of land (13% of arable land in Germany), including around 1.4 million hectares of crops for use as an energy source (about 1.1 million hectares for rapeseed for biodiesel, about 160,000 hectares for maize for biogas, about 100,000 hectares for cereal for ethanol). About 265,000 hectares were used for material recovery.

Potential

17 million hectares of land are used for agriculture in Germany (about 12 million hectares of arable land and 5 million hectares of grassland). Experts' estimates on the area of land available for the cultivation of renewable resources range from 2 to 2.5 million hectares by 2010, and from 3 to 5 million hectares in the long term, depending on the assumptions taken as a basis (according to the type of use, this corresponds to a contribution of between around 2 and 8% to the German primary energy demand in 2006).

Biofuels

Germany already made considerable efforts to promote biofuels in the 1990s. In 2005, the share of biogenic fuels in total fuel consumption was 3.7%, and well over 6.3 % in 2006.

In order to further advance the expansion of the biofuels sector, Germany has introduced a blending obligation with the Biofuel Quota Act, which entered into force at the beginning of 2007. Anyone who places fuels on the market is obliged to sell a fixed percentage in the form of biofuels.

Up to the middle of 2006 Germany made use of the possibility of granting tax relief on the basis of the EC Energy Tax Directive and exempted biofuels from mineral oil tax. Since January 2007, blended biofuels have been subject to the full mineral oil tax. Only pure biofuels, as far as they do not count towards the quota, will maintain tax privileges until 2011, subject to the annual check for overcompensation. The use of pure biofuels in agriculture continues to be completely tax-free. In order to create a clear perspective for new developments and incentives for invest-

ment, second generation biofuels will receive tax subsidies up to the year 2015, subject to the check for overcompensation. The same applies to E85 and biogas as transport fuels.

Heat from biomass

Biomass is the most important renewable energy source in the heat sector. The development in this sector in recent years has also been very dynamic. The number of wood pellet plants, for example, doubled to 70,000 in 2006 as compared to the previous year.

Among the advantages of heat production from biomass are low CO₂ avoidance costs and decentralised structures for delivery. In the short and medium term, the use of biomass for heat production in Germany is therefore particularly beneficial from an ecological and economic point of view. The prerequisite for this are appropriate framework conditions to limit air pollutants released during combustion. Moreover, measures are required which promote better use of heat, such as the expansion of combined heat and power generation, the integration of biogas plants into microgas and local heating networks or the establishment of decentralised thermal power plants.

Electricity production from biomass

In the area of electricity production from biomass the Renewable Energy Sources Act has proven to be an efficient support instrument. The improved support mechanisms introduced in 2004 in particular have led to a considerable increase in the feeding of electricity from biomass into the grid, and the number of biogas installations rose to 3500 in 2006. Due to special rates or bonuses for the use of renewable resources, innovative technologies and combined heat and power generation, it has become profitable to produce electricity from renewable resources. The support instrument under the Renewable Energy Sources Act (EEG) was subject to a thorough review, which has been published in 2007. The goal has been to establish a basis to adapt the EEG in such a way as to facilitate an even more efficient use of renewable energies.

Securing sustainable biomass production

Biomass cultivation must not take place at the cost of nature and the environment. The German government considers it necessary to ensure the sustainability of biomass cultivation and of the products made from biomass, for example through sustainability standards and certification systems.

In Germany, the existing provisions on good professional practice already constitute binding rules which are expected to guarantee sustainable cultivation, regardless of the use of the products. In addition, there are clear standards for sustainable forest management laid down in the Federal Forest Act and the Forest Acts of the Länder.

For biofuels, the German Biofuel Quota Act contains the authorisation to limit proof of compliance with the quota to biofuels that

- in the production of the biomass used, verifiably meet specific requirements concerning the sustainable management of agricultural land or
- meet specific requirements regarding the protection of natural habitats or
- show a specified CO₂ reduction potential.

The German government intends to issue an ordinance to substantiate these provisions and to regulate monitoring. The German government has proposed this ordinance to the parliament in

December 2007. The legal validity is expected for 2009. It is also planned to link support for the use of biomass under the Renewable Energy Sources Act to sustainable production.

In view of the accelerated expansion of bioenergy worldwide, international trade in sources of bioenergy is gaining in importance. This is why the German government is strongly committed, also at the international level, to contributing to the development of sustainability criteria.

Firstly, this takes place by supporting European activities, such as the definition of sustainability criteria in a directive as proposed by the European Commission. This work is currently underway. Secondly, the German government considers global efforts of the various international fora very important. It therefore supports the activities of the G8 initiative "Global Bioenergy Partnership".

Sustainable tourism as an economic factor in rural areas

Rural tourism in Germany not only plays a major role as an additional source of income for farmers, but also in the context of sustainability.

Rural tourism in Germany comprises both traditional farm holidays and tourism in rural regions in general. Particular emphasis is placed on outdoor activities and sustainable holiday offers, such as hiking, cycling, water tourism or opportunities to experience rural traditions. The Federal and Länder governments support sustainable rural tourism through a raft of support measures including investment projects and measures for quality improvement, qualification of hosts and tour operators and the implementation of marketing and development concepts. Interlinkage of tourism and regional marketing of agricultural products, e.g. through farmers' markets or farm cafés, is also a decisive element.