



Federal Ministry  
for Economic Cooperation  
and Development

# BMZ 2030 reform strategy

*New thinking – new direction*

# I. The world is undergoing radical change

## THE CHALLENGES FACING HUMANKIND AND THE PLANET ARE ENORMOUS

The world population is growing at a rate of 80 million people each year – that’s as many people as live in Germany. By 2050, the planet will be home to 10 billion people. A large part of that population growth – 90 per cent – will take place in developing countries and emerging economies. In Africa alone, 20 million more young people are coming onto the labour market every year.

All of these people want security and prosperity. Yet, although the proportion of the world’s population suffering from hunger has been halved over the last 30 years, hunger still affects 820 million people. And that number has been on the rise for some years now. This is partly a result of conflict and forced displacement. Almost 71 million people across the world have currently been forced to flee their homes. That is more than ever before. And around one quarter of the world’s population lives in fragile states where security and development are under severe threat. In the last six years, there have been the most armed conflicts since 1946.

Another cause of growing hunger is climate change. For some time now, this has been the critical issue for the survival of humankind. Land is drying up, water supplies are dwindling rapidly, we are seeing more extreme weather. Experts predict that, by 2050, there will be 85 million climate refugees in Africa. And yet only seven countries are currently on track to meet their commitments under the Paris climate agreement. In the last 30 years, global CO<sub>2</sub> emissions have risen by 60%. Sea levels are rising, oceans are becoming increasingly acidic. A quarter of fish stocks are already under threat.

And it is not just the oceans that are affected – on land, too, habitats are shrinking. Every four seconds, an area of forest the size of a football pitch is cleared – that makes 13 million hectares a year. The slashing and burning of the rainforests is causing 11 per cent of worldwide CO<sub>2</sub> emissions. In this way, the very natural resources that we need to ensure the survival of a growing world population are being destroyed for ever.

At the same time, capital, goods and people are moving around the world more than ever before. Globalisation and digitalisation are creating new opportunities. They have brought many positive economic developments across the world and lifted many millions of people, particularly in Asia, out of poverty. The flipside of that, however, is growing inequality, environmental degradation and precarious working conditions in many global supply chains. This is especially true of trade with the developing countries, particularly in Africa.

If everyone in the world had the same patterns of consumption and production as the industrialised countries, we would need two planets. But we only have one. And we are less than ten years away from 2030, the year in which the 17 Sustainable Development Goals set out under the United Nations 2030 Agenda are to be reached.

That is why we need a change of thinking and a change of direction. In that context, development policy, which is a cross-cutting task for the policymaking of the entire government, has a key role to play, in line with the 2030 Agenda and the Paris Agreement.

## II. The BMZ 2030 reform strategy

Our BMZ 2030 reform strategy constitutes a comprehensive overhaul, after 12 years, of German development policy; the aim is to focus development measures and development funding even more strategically, effectively and efficiently on tackling the challenges outlined above.

### THAT MEANS A RE-FOCUSING OF GERMAN DEVELOPMENT COOPERATION

1. At the heart of the reform strategy is bringing a **new quality to cooperation**. We are calling on our partner countries more than ever before to provide measurable evidence of progress made on good governance, human rights and fighting corruption. The key to development is for partners to act on their own initiative. Our partner countries can and must deliver more. With that in mind, we are working together to develop reform programmes, target special focal areas and reduce the number of stand-alone projects. We are forging reform partnerships with countries that are particularly reform-minded and providing them with extra support.
2. The BMZ 2030 strategy concentrates our focus on specific areas and also offers new **answers to the issues determining our future**, such as climate, health and family policy, sustainable supply chains, harnessing digital technology, technology transfer and strengthening private investment. Yet, as ever, the overarching aim remains overcoming hunger and poverty.
3. We are introducing new **partner categories**; this will allow us, for example to work more strategically with global partners on protecting global public goods. Or to deliver even more effective, rapid and flexible support to people in conflict and refugee regions.
4. In order to tackle all of these areas as effectively as possible, we are now introducing a **new mode of cooperation**. Some countries have, happily, developed in such a way that they no longer require our direct support. Yet others have made no progress on reform.

That is why we are reducing the number of partner countries with which we engage in direct, official (i.e. governmental) cooperation from 85 to 60. We should emphasise: we are not ending our cooperation with any of our partner countries. We are merely changing the way we cooperate with them. So in countries where official direct development cooperation is being brought to an end, we will be supporting the work of the churches and civil society, of the EU and multilateral institutions and promoting private investment. And where people are threatened by hunger and hardship, we will continue to support them whatever country they are in.

### WITH OUR BMZ 2030 REFORM STRATEGY WE ARE THEREFORE PROVIDING NEW ANSWERS AND, AT THE SAME TIME, FOCUSING OUR RESOURCES ON SUSTAINABLE DEVELOPMENT

That means:

- new partnerships to protect global goods;
- strengthening cooperation with civil society and the churches, which play a vital role in ensuring the survival of the very poorest, particularly in crisis and refugee regions;
- coordinating more with other donors, the EU and multilateral institutions;
- demanding, above all, more of our partners. Every year, Africa loses 50 billion dollars through illicit financial flows. We are determined to do more to counteract this.

# III. New focuses

## OUR REFORM STRATEGY IS BASED ON FOUR PILLARS:

- Firstly, our **partner countries** can and must **deliver more themselves**. The key to development is for partners to act on their own initiative. That is why we are calling on our partner countries more than ever before to provide measurable evidence of progress made on good governance, human rights and anti-corruption.
- Secondly, **reform partnerships** will play a greater role in our official development cooperation: countries that are pursuing reforms will be offered a more intensive partnership and additional financial support. We will continue to expand these reform partnerships.
- The third pillar is **private investment**, because it is mainly the private sector that generates jobs. We will have a targeted programme of promoting private investment in developing countries, particularly investment by small and medium-sized enterprises. One measure, for example, is the expansion of our development investment fund.
- Fourthly, we need to create the right conditions for **fair trade**. That is what will do most to drive forward development. And so we are campaigning for social and environmental sustainability standards to be observed in global supply chains and included and enforced in all EU free trade agreements.

## FOCUSING OF AREAS ADDRESSED

Our primary aim remains to **overcome hunger and poverty** and to implement the 2030 Agenda and achieve its 17 Sustainable Development Goals. We will be working even more closely with our partners on achieving those aims.

At the same time, we are also undertaking a concentration of the number of areas we address and re-focusing our efforts to implement the 2030 Agenda. So we have defined five “core areas” and ten “initiative areas”. Based on those areas, we will be systematically refocusing our cooperation with each of our partner countries.

- **The core areas are:** peacebuilding; food security; training and sustainable growth; climate and energy; the environment and natural resources. We will also be increasing our efforts in the health sector.
- **The initiative areas include:** population development and family planning; sustainable supply chains; digital technology. Another important area is human and animal health. We will be increasing our focus on this by setting up a dedicated Global Health/One Health unit.

## GREATER EFFECTIVENESS

To enable us to make work on this new list of areas as effective as possible, we are putting together more wide-ranging reform programmes and initiatives focusing on specific areas; the number of stand-alone projects is being reduced.

We have also introduced new, integrated internal planning procedures. In this way, the new BMZ 2030 reform strategy is making German development cooperation generally more coherent and more efficient.

# IV. New partnerships

The world has changed a lot in the last 12 years. The old categories that we used for classifying countries do not reflect those changes. And so, with the BMZ 2030 strategy, we are introducing new partner categories. This allows us to work more strategically with our partners on protecting global goods. Or to support them effectively, quickly and flexibly when crises occur. The new partner categories are:

BILATERAL PARTNERS	GLOBAL PARTNERS	NEXUS AND PEACE PARTNERS
<p>We work together over the long term to achieve shared development goals.</p> <ul style="list-style-type: none"> <li data-bbox="188 763 592 846">"Classic" bilateral partnerships</li> <li data-bbox="188 846 592 909">Reform partnerships</li> <li data-bbox="188 909 592 972">Transformation partnerships</li> </ul>	<p>We work together on tackling the issues defining our common global future, such as the climate.</p>	<p>We work together in crisis and refugee regions to tackle the causes of violence, conflict and displacement.</p> <p>We support them in the process of stabilisation and peacebuilding.</p>

## BILATERAL PARTNERSHIPS

We work with our bilateral partner countries over the long term to achieve shared development goals, deploying our whole range of development policy instruments.

There are two special forms of bilateral partnership:

**reform partnerships:** particularly reform-minded countries receive increased support, including through our new instrument of reform financing.

→ Côte d'Ivoire, Ethiopia, Ghana, Morocco, Senegal, Tunisia

**transformation partnerships:** through these partnerships, we channel special support to the EU's neighbours in their political and economic transformation.

→ Albania, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Serbia, Ukraine

## GLOBAL PARTNERSHIPS

In these new partnerships, we work together strategically on tackling the issues defining our common global future and on protecting global goods like the climate and the environment.

This is done mainly through loans and through leveraging additional money market funds.

→ Brazil, India, Indonesia, Mexico, Peru, South Africa, Viet Nam, China

## NEXUS AND PEACE PARTNERSHIPS

We are strengthening our support for people in crisis and refugee regions, addressing the root causes and supporting them in the process of stabilisation. We mainly use the flexible instruments we have created, such as the special initiative on displacement, and increase support for international aid organisations.

→ Central African Republic, Chad, DR Congo, Iraq, Libya, Somalia, South Sudan, Syria, Yemen

**Countries can shift between the partner categories.** Nexus and peace partners, for example, may become bilateral partners.

# V. New mode of cooperation

In order to tackle the issues defining our future as effectively as possible, we are taking a new direction in our direct official (i.e. governmental) cooperation with bilateral partners.

## RESET

- This focusing of development cooperation has also meant making some difficult decisions; official bilateral development cooperation with some partner countries will come to an end.
- **Up until now, we have had direct official cooperation with 85 countries.** Under the BMZ 2030 strategy, we are reducing that number to **60**.
- As a result of the reform, a larger proportion of our partner countries will now be LDCs, up from 39 per cent to 42 per cent.

## CRITERIA

- Selection of the partner countries for future bilateral cooperation took place in several stages using objective criteria.
- The process drew on global indicators on issues such as good governance, anti-corruption and level of need.
- Strategic criteria were also applied, such as countries' reform efforts and the relevance and volume of our cooperation to date.

## EXAMPLES

1. Where partner countries fail to implement jointly agreed reforms, there is no basis for official cooperation. These countries will therefore not be included on the list. For example: *Myanmar and Burundi*
2. Some countries have, happily, developed in such a way over recent years that they no longer require our direct official support. For example: *Costa Rica and Mongolia*
3. We will be winding up activities in countries where we had only a very small programme compared with other donors. For example: *Haiti, Nicaragua, the Philippines, Sierra Leone, Turkmenistan*

## COOPERATION GOING FORWARD

- This decision affects only the BMZ's direct official (i.e. governmental) cooperation carried out through our implementing organizations GIZ, KfW, PTB and BGR.
- The BMZ will continue to support all developing countries through the work of civil society, churches, political foundations and also in cooperation with the private sector and through the EU and multilateral institutions.
- To be quite clear: where people are threatened by hunger and hardship, we will continue to support them whatever country they are in.
- All measures currently being implemented will be brought to an end in a responsible manner. We are currently working with our partner countries on tailor-made plans for ending the projects and handing over to other players, such as the EU, the World Bank, other donors or civil society.

## OVERVIEW 1: NEW COUNTRY LIST

BILATERAL PARTNERS		
We work with selected partner countries over the long term to achieve shared development goals.		
Afghanistan (LDC) Algeria Bangladesh (LDC) Benin (LDC) Burkina Faso (LDC) Cambodia (LDC) Cameroon Colombia Ecuador Egypt	Jordan Kenya Lebanon Madagascar (LDC) Malawi (LDC) Mali (LDC) Mauritania (LDC) Mozambique (LDC) Namibia Niger (LDC)	Nigeria Pakistan Palestinian territories Rwanda (LDC) Tanzania (LDC) Togo (LDC) Uganda (LDC) Uzbekistan Zambia (LDC)
Reform partners		
Reform partners are particularly reform-minded countries we want to support. <b>Special feature:</b> reform financing and higher commitments – tied to results		
Côte d'Ivoire Ethiopia (LDC)	Ghana Morocco	Senegal (LDC) Tunisia
Transformation partners		
We support the EU's neighbours in their political and economic transformation.		
Albania Bosnia and Herzegovina Georgia	Kosovo Moldova Serbia	Ukraine

42

GLOBAL PARTNERS		
We work together on tackling the issues defining our common global future and protecting global goods.		
Brazil China India	Indonesia Mexico Peru	South Africa Viet Nam

8

NEXUS AND PEACE PARTNERS		
We work together on tackling the structural causes of conflict, displacement and violence and provide support in peacebuilding.		
Central African Republic (LDC) Chad (LDC) DR Congo (LDC) Iraq	Libya Somalia (LDC) South Sudan (LDC) Sudan (LDC)	Syria Yemen (LDC)

10

## MULTILATERAL, EUROPEAN AND NON-GOVERNMENTAL COOPERATION

We continue to support all developing countries (DAC country list).

Armenia	Haiti (LDC)	Paraguay
Azerbaijan	Honduras	Philippines
Bolivia	Kazakhstan	Sierra Leone (LDC)
Burundi (LDC)	Kyrgyzstan	Sri Lanka
Costa Rica	Laos (LDC)	Tajikistan
Cuba	Liberia (LDC)	Timor-Leste (LDC)
Dominican Republic	Mongolia	Turkmenistan
El Salvador	Myanmar (LDC)	and all other countries on
Guatemala	Nepal (LDC)	the OECD/DAC list (e.g. North
Guinea (LDC)	Nicaragua	Macedonia)

**Instruments:** European and multilateral cooperation, civil society, cooperation with the private sector, in some cases promotional loans



## OVERVIEW 2: DETAILS OF NEW AREAS

FIVE CORE AREAS	
<b>Peaceful and inclusive societies</b> SDG 16	<b>Areas of intervention:</b> (1) <b>Good governance</b> (democracy, justice and a functioning state, anti-corruption, domestic resource mobilisation, local authority structures, social protection) (2) <b>Peacebuilding and conflict prevention</b> (3) <b>Displacement and migration</b>
<b>A world without hunger</b> SDG 2	<b>Areas of intervention:</b> (1) <b>Food security</b> (2) <b>Rural development</b> (3) <b>Agriculture</b> (including soil protection)
<b>Training and sustainable growth for decent jobs</b> SDGs 4, 8, 9 and 17	<b>Areas of intervention:</b> (1) <b>Technical and vocational education and training</b> (2) <b>Private sector and financial sector development</b> (3) <b>Trade and economic infrastructure</b>
<b>Responsibility for our planet – climate and energy</b> SDGs 7, 11 and 13	<b>Areas of intervention:</b> (1) <b>Climate change mitigation and adaptation</b> (2) <b>Renewable energy and energy efficiency</b> (3) <b>Sustainable urban development</b> (mobility, circular economy and waste management)
<b>Protecting life on Earth – the environment and natural resources</b> SDGs 6, 14 and 15	<b>Areas of intervention:</b> (1) <b>Biodiversity</b> (2) <b>Forests</b> (3) <b>Water</b>

## TEN INITIATIVE AREAS

The **initiative areas** are a means with which to visibly and actively put a special development policy focus on a specific area for a defined period of time.

They also incorporate successful initiatives undertaken over recent years.

(1) <b>Marshall Plan with Africa</b>	all SDGs
(2) <b>Health, pandemic response and the One Health approach</b>	SDGs 2 and 3
(3) <b>Sustainable supply chains and “Grüner Knopf” (Green Button)</b>	SDG 12
(4) <b>Population development and family planning</b>	SDG 3
(5) <b>Digicenters and digital technology</b>	all SDGs
(6) <b>Returning to New Opportunities</b>	SDGs 4 and 8 (and others)
(7) <b>Development and Climate Alliance</b>	SDG 13
(8) <b>Green people’s energy</b>	SDG 7
(9) <b>Synthetic fuels</b>	SDGs 7 and 9
(10) <b>Sport, media and culture</b>	SDGs 8, 11, 16 (and others)

## MULTILATERAL AREA

**Basic education** (Global Partnership for Education, Education Cannot Wait, etc.) SDG 4

## SIX QUALITY CRITERIA

Our quality criteria are a mark of what defines development cooperation as value-based, sustainable and forward-looking. The quality criteria apply to all measures.

<b>(1) Human rights, gender equality and disability inclusion</b>	all SDGs
<b>(2) Anti-corruption and integrity</b>	SDG 16
<b>(3) Poverty reduction and inequality reduction</b>	SDGs 1 and 10
<b>(4) Environmental and climate impact assessment</b>	SDG 13 (and others)
<b>(5) Conflict sensitivity</b> (Do No Harm approach)	SDG 16 (and others)
<b>(6) Digital technology</b> (“digital by default” approach)	all SDGs