



Federal Ministry
for Economic Cooperation
and Development

The BMZ's New Asia Policy

Using Asia's Dynamism

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The key points

Asia is a continent with a **multitude of divergent realities**. While a few emerging economies in Asia have become economic and political heavyweights and are shaping today's international agenda, other states – especially those affected by violence and fragility – are in danger of international marginalisation.

Asia is developing with an **impressive dynamism**. In the past 25 years poverty has halved in Asia despite strong population growth. Asia is capable of generating around half of global gross domestic product by the year 2050 and achieving a per-capita income equivalent to the current level in Europe if it makes the right economic policy decisions today. These are among the reasons why we see Asia as an important economic and trading partner.

At the same time Asia is still affected by **major disparities in wealth and poverty**; despite impressive economic growth, 1.3 billion Asians still have to subsist on less than two US dollars a day. The regional and social disparities have widened. Statistically, six out of ten people worldwide who endure absolute poverty live in Asia, as does 60 per cent of the world's slum population.

Today Asia is responsible for almost **60 per cent of global greenhouse gas emissions**. Yet the continent also suffers considerably from the **impacts of climate change**, drastic overuse of its natural resources, and rapidly declining biodiversity.

From these figures it is clear that Asia plays a key role in the **successful implementation of international development and sustainability goals and of the global climate treaty**.

In its dialogue with partner countries, Germany advocates a **values- and interests-based development policy and cooperation on an equal footing**. This calls for Germany's experience, technological know-how and the 'made in Germany' brand of development cooperation.

German development cooperation is **values-based**: human rights (including the rights of women and girls) are universally valid. We want to strengthen the participation of civil society and give young people in particular an economic and social perspective – not least, in order to eliminate the breeding grounds for terror and extremism.

At the same time it is in the **strong common interests** of people in Asia – and, indeed, ourselves in Germany – that Asia undergoes socially balanced, environmentally sustainable and peaceful development. Asia therefore needs good governance. **Stability and peace** in Asia are also of fundamental importance to us in Germany – as the cautionary example of Afghanistan has shown. An economically strong Asia as a trading partner is beneficial both for people in Asia and for Germany and its economy.

German development cooperation with Asia over the next few years, involving Germany's partner countries, in multilateral organisations like the World Bank, the Asian Development Bank, the European Union (EU) and the International Monetary Fund (IMF), in cooperation with regional alliances such as the Association of Southeast Asian Nations (ASEAN) and with programmes and projects in Asia, will address the following opportunities and challenges:

→ **We intensify our dialogue with global development partners**

China, India and Indonesia, three out of the six countries which are what the BMZ calls Global Development Partners, which means that they are especially important emerging economies, are located in Asia. The continent plays a key role in shaping the international policy agenda, especially in the context of a new Global Partnership (the United Nations process for establishing Sustainable Development Goals). This **global charter for the future** will be of central importance for meeting the global challenges. Equally, a new **global climate treaty** will not come about without the participation of the large Asian emerging economies – the theme of **climate governance** must therefore be at the top of our common agenda.

→ **We step up support to help our partner countries shape a socially equitable and environmentally sustainable market economy**

We want more people in Asia to profit from the region's impressive economic growth in future. Today there are more poor people living in India alone than in the whole of sub-Saharan Africa. Their **living and working conditions** are often appalling – not just in the textile sector. One of our most important concerns is to make economic growth not only environmentally but also socially sustainable, and to combat poverty. Germany, with its model of the **social and environmental market economy** and **integration in Europe**, possesses experience from which Asia can benefit.

→ **We emphatically argue for climate change mitigation and the conservation of biodiversity to preserve the integrity of Creation**

Asia's high rate of economic and demographic growth produces **pressure on natural resources** – water, air, soils, forests and the especially rich biodiversity of South and Southeast Asia. Even today over half of the global population lives in Asia, mainly in its ever-expanding cities. Fast-paced economic growth leads to immensely high emissions of greenhouse gases. When it

comes to attaining international development and climate targets, this makes the continent more relevant than ever before. Moreover, a number of the countries worst affected by climate change, like Bangladesh, Pakistan, the Philippines and Viet Nam, are located in Asia. This makes it clear that protecting the climate is equally essential for people in Asia. We therefore advise our Asian partners on the theme of **climate governance**. In addition, we support measures for forest conservation, reforestation, coastal and water protection, and projects for the conservation of biodiversity.

→ **We combat the causes of conflict and displacement and support refugees**

Millions of Asians have been forced to flee – within Asia or to Europe – from war, violence, conflicts and climate-related natural disasters. In future we will boost support for measures which stabilise **countries especially affected by refugee movements**, like Afghanistan and Pakistan, and which contribute to the integration of refugees in their host country or reintegration in their country of origin. In order to combat the causes of displacement we promote **measures for disaster preparedness and management** and create perspectives and employment for people in their home countries, for nobody flees their home country without a reason.

Seven themes will be central to the German development cooperation that takes place in Asia in future:

1. Extending global partnerships and regional cooperation

Emerging economies like India, Indonesia and China lay claim to a key role in solving global questions of sustainable development, particularly the conservation of global resources or the post-2015 development agenda. We want to make greater use of Asia's dynamism and **extend these strategic partnerships**. Only by intensifying development policy cooperation with these countries can the German Federal Government achieve its ambitious goals for sustainable development. Cooperation with emerging economies calls for innovative approaches which appropriately reflect these countries' heightened significance and acknowledge their greater capacity. Emerging economies are also increasingly assuming responsibility as new donors. German development cooperation can support them in establishing their own development cooperation structures.

At the same time, most of Asia's development challenges – for example, management of the scarce resource of water – call for **transboundary action**. Regional cooperation fosters stability in the region by means of integration. It gives rise to growth potential, promotes regional trade and diminishes the risks of conflict. Therefore we support **regional organisations** such as ASEAN or the Mekong River Commission. Our European experience is of considerable interest for Asia's integration processes. We want to promote regional economic integration and cooperation and strengthen regional alliances, because regional integration and trade reinforce stability and peace. We contribute our own integration experience from Europe as part of the process.

WHAT ARE WE DOING ALREADY?

- We are utilising the strength of these countries and expanding our support of **South-South and triangular cooperation arrangements** with emerging economies for the benefit of the less strong Asian countries. For example, we are working jointly with Indonesia to promote vocational education and training in Myanmar.
- When working with the financially better-performing emerging economies, German development cooperation relies on **market-based loans rather than the distribution of subsidies**. We endeavour to engage in co-financing arrangements with multilateral organisations, for example the World Bank, in order to do justice to the immense financing needs of large emerging economies.
- In India and Indonesia in 2013 and 2014 around 2 billion euros was made available, the vast majority of it as market-based loans, for the conservation of global resources and the expansion of renewable energies.
- We are supporting the South Asian Association for Regional Cooperation (SAARC) in improving the framework conditions for **trade** between its members, and making the case for trade facilitation in and between the countries of Central Asia.

THE CASE OF REGIONAL COOPERATION: PROTECTION OF THE MEKONG

The Mekong River is the lifeline for more than 60 million people in Cambodia, Laos, Thailand and Viet Nam. Natural weather phenomena like floods and drought, but also human interventions like dams endanger people's food security and the unique biodiversity found nowhere else in the world. Hydropower is an important source of income and electricity for the poorest countries of Southeast Asia. The BMZ supports the member countries of the Mekong River Commission in the joint planning and cooperative management of water resources and reconciliation of the competing interests of energy generation, food security and water resource conservation.

HOW EXACTLY WILL WE STEP UP OUR COMMITMENT?

- We intend to expand the **triangular cooperation arrangements** involving Indonesia as a donor.
- We engage in **global dialogues** on how countries can establish their own development-policy structures and agencies, along with instruments and standards of bilateral and trilateral development cooperation. We want to support Indonesia and Kazakhstan, for example, in building up their own development cooperation.
- With **China** we will intensify dialogue partnerships on social, environmental and economic issues and step up the exchange on questions of global development.
- From 2015 the countries of the Association of Southeast Asian Nations (ASEAN) will unite as an economic community. We support the ASEAN Secretariat in eliminating constraints on trade and promoting the free movement of workers and goods in the common economic area.

2. Using the economic dynamism – supporting vocational training, sustainable and social economic development and employment promotion

Many Asian countries have achieved **impressive growth rates and successes in poverty reduction**.

To keep this dynamism on track and to make economic growth more sustainable and achieve broad-scale benefits, **economic policy reforms** are needed. The quality of the goods and services produced in Asia must rise and **working conditions** must be improved. For this Asia needs **highly qualified skilled workers with practice-oriented vocational training** as well as innovative and competitive small and medium-sized **enterprises**, an internationally recognised quality infrastructure, and demand-driven **financial services**.

The **political framework conditions** must also be right: the governments of Asia must be put in a position to fulfil their regulatory policy role successfully. Decent jobs with living wages and adherence to social and environmental standards along entire value chains, for example in the textile industry, are particular concerns of ours. We must strengthen the rights of employees – trade unions and free collective bargaining are central elements of a sustainable economic system.

In many Asian countries, there is great interest in the German **model of the social and environmental market economy**. By the same token, Asia has long been seen by the German market as an attractive growth market and an important **trade partner**. In this regard **private enterprises** can give important impulses for development.

In most Asian countries the majority of people still live in rural areas and work in **agriculture**. This sector is the basis for improving the nutritional situation and combating hunger which, even today, is still a reality for over 500 million people in Asia. An improvement in the living conditions in rural regions, for example by means of improved infrastructure and agricultural production as well as better means of processing and marketing agricultural products, could benefit millions of poor people, as indeed could safe foodstuffs. By improving the prospects for people living in rural areas, we also reduce the pressure of migration on the major cities.

WHAT ARE WE DOING ALREADY?

- We are supporting the establishment, innovativeness, competitiveness and the financing of **small and medium-sized enterprises** in Asia with contributions amounting to 1.3 billion euros.
- We are supporting 12 countries (Afghanistan, India, Indonesia, Cambodia, Kyrgyzstan, Laos, Myanmar, Mongolia, Pakistan, Tajikistan, Uzbekistan and Viet Nam) with the **improvement of vocational training**.
- Every year we fund more than 40 **development partnerships with the German private sector**.
- In order to improve the income and employment situation in rural areas and to build up a competitive agricultural and food industry, we are supporting Asia's **rural value chains** in ten countries. In this way we are reducing hunger and malnutrition.

- We have contributed 10 million euros to **improving environmental and social standards** in over 800 companies in Bangladesh's textile industry. As a result, since 2010 around 100,000 workers, managers and factory owners have taken part in continuing education projects, while training and support have been provided for compliance officers to monitor building and safety standards.

THE CASE OF SOCIAL AND ENVIRONMENTAL STANDARDS: FIRE SAFETY IN TEXTILE COMPANIES

German development cooperation supports the textile industry in Bangladesh in improving social and environmental standards, working closely with state and private partners. In the context of fire safety and to combat fire sources and other major incidents rapidly and effectively, the fire service in Bangladesh now cooperates with the fire service in Bonn and specialised German companies. Especially high priorities were recognised to be the training of fire inspectors and the development and implementation of decentralised fire stations, which optimally protect industrial firms and at the same time fulfil important municipal tasks. The aim is to establish a viable and sustainable concept for a decentrally-run fire service for the local apparel industry and international trading companies which is operated from state and private resources.

HOW EXACTLY WILL WE STEP UP OUR COMMITMENT?

- Within the framework of the Partnership for Sustainable Textiles we will support **regional programmes to promote the mainstreaming of human-rights, social and environmental sustainability standards in the value chains of the textile and apparel industry** in Asia. As part of this, the BMZ will make available 6 million euros for the continuing improvement of environmental and social standards in the textile industry in Bangladesh.
- To promote vocational education and training and to disseminate tried and tested practices we will host Asia-wide **vocational education and training conferences** in 2015 and 2017.
- In a new regional programme we will promote **adherence to labour and social standards** in the three partner countries Cambodia, Pakistan and Bangladesh.
- In Afghanistan, India and Cambodia we will intensify the **development of agricultural value chains** (inter alia, as part of the special initiative 'ONE WORLD – No Hunger').

3. Preserving the integrity of Creation: Protecting the climate and biodiversity – managing the impacts of climate change

Even today, Asia is already responsible for almost **60 per cent of global carbon dioxide emissions**. In the next 25 years **Asia's energy demand will double**. Asia therefore needs to set a course for a **low-carbon energy supply** today – energy production needs to be more climate-smart and energy use more efficient in future. In this connection, Germany's transition to sustainable energy systems is also gaining much attention in Asia. At the same time, there are still over 600 million Asians who have no access to electricity, most of them in sparsely settled rural areas.

Of the ten countries most severely affected by **climate change** in the last 20 years, five were located in Asia (Myanmar, the Philippines, Bangladesh, Viet Nam and Pakistan). 1.3 billion people live in the especially vulnerable coastal regions, mostly in urban areas.

The **biodiversity** of South and Southeast Asia, which is unique in the world, is seriously threatened by the impacts of climate change, by the region's economic growth trajectory, by uncontrolled housing development and by poaching. Already overstretched natural resources like soil, water and air are suffering under heavy pressure of use by the growing population and industry.

We want to support our partners in Asia in conserving ecosystems as a life-support base for future generations and realising economic development more resource-efficiently in general and in keeping with the environmentally sustainable principles of a green economy.

WHAT ARE WE DOING ALREADY?

- We are working in nine Asian countries (India, Indonesia, Afghanistan, Pakistan, Viet Nam, Bangladesh, Mongolia, Nepal and Sri Lanka) to set a course for **low-carbon energy supply** and to provide millions of people with energy from renewable sources. In India, for instance, we are supporting the **expansion and power-grid connection of renewable energies** as part of the Green Energy Corridors strategy with loans amounting to 1 billion euros.

THE CASE OF CLIMATE CHANGE MITIGATION IN EMERGING ECONOMIES: PROMOTING RENEWABLE ENERGIES IN INDIA – GREEN ENERGY CORRIDORS

Green Energy Corridors involve connecting wind and solar energy facilities to the power grid so that, in future, renewable energies can play a much more significant role in India's energy mix, which has until now been very heavily biased towards fossil fuels. The Indian partner is very demonstrably taking ownership of the large-scale project: the Indian government itself is providing more than 4 billion euros to finance the necessary investment. German development cooperation is supporting this large-scale Indian project for the feed-in of renewable energies with low interest loans of up to 1 billion euros over four years.

- We are promoting **cross-border environmental protection and climate change mitigation**. To this end we are strengthening transboundary cooperation along the Mekong and in the Himalayan region. In our cooperation with the ASEAN community we are prioritising the conservation of biodiversity, the promotion of renewable energies and adaptation to climate change.
- We are protecting the especially vulnerable Mekong region from the impacts of climate change – with measures including **reforestation of coastal forest**, the rehabilitation of floodplains and the construction of environmentally sound **coastal protection structures** in Viet Nam. In Bangladesh the BMZ is supporting the conservation of wetland areas, which also serves to protect **fishery resources**.
- We are supporting India, Indonesia, Mongolia, Viet Nam and Nepal in conserving their biological diversity, and facilitating exchange among Central Asian countries concerning the **conservation of biodiversity**.
- We are contributing to reduction of the demand for poaching products, such as ivory and rhinoceros products, for example by means of a cooperation fund cutting across policy areas.
- We are supporting ten countries (Mongolia, Laos, Tajikistan, Kyrgyzstan, Bangladesh, Nepal, India, Indonesia, Pakistan and Viet Nam) in implementing **forest conservation measures** and significantly reducing deforestation so as to become eligible to benefit from the REDD+ process.
- We are supporting **afforestation programmes**, for example in Southeast Asia and in Bangladesh.

HOW EXACTLY WILL WE STEP UP OUR COMMITMENT?

- We will support nine Asian countries (India, Indonesia, Afghanistan, Pakistan, Viet Nam, Bangladesh, Mongolia, Nepal and Sri Lanka)

in shaping a more sustainable **energy policy** through the **use of renewable energies**.

- Within the framework of our Energising Development partnership we will ensure that at least 3 million people gain access to **sustainable energy**.
- By 2018 we will introduce uniform management standards for biodiversity in 15 Southeast Asian national parks, thereby furthering the implementation of the international **Convention on Biological Diversity**.
- In addition we will invest 30 million euros in order to protect **biodiversity** and threatened species – particularly in an integrated approach to conserve the habitat of the tiger.
- In Viet Nam alone, 500,000 tons carbon dioxide is sequestered biologically through **afforestation programmes** supported out of BMZ funding.

THE CASE OF FOREST CONSERVATION: EXTENDING THE BENEFITS TO THE POOR IN INDONESIA AND LAOS

Forests maintain and safeguard biodiversity; they store carbon, produce oxygen and regulate the climate. For people the forest represents a source of income and a supply of building material, firewood, food and medicine. Forest loss and degradation endanger our climate, unique biodiversity and the local population's life-support base. Using the REDD approach (Reducing Emissions from Deforestation and Forest Degradation), the BMZ is supporting forest conservation and sustainable forest management in Indonesia and Laos. In particular, it seeks to involve the poor local population, which then gains such benefits as access to forest resources and additional income from forest management.

4. Combating the causes of conflict and displacement – assisting refugees

Not all Asian countries have been able to benefit from stable development free from violence in recent years. **Statehood is fragile** in a number of countries, while **conflicts** threaten to escalate in others. Three Asian states number among the ten countries worldwide with the most **refugees**, namely Afghanistan (which alone has 2.5 million refugees), Myanmar and Viet Nam. Absorbing these refugees is a major challenge for neighbouring countries. The number of internally displaced people in Asia has also risen drastically in the past year. Europe is equally affected by the flow of refugees from Asia; among asylum seekers in Germany, Asians are one of the principal groups.

Millions of Asians are forced to migrate because employment opportunities in their countries are unable to keep pace with the **high rate of population growth**. The **migration pressure** and the associated **conflict potential** will continue to rise unless there is success in creating employment prospects and income opportunities for the employable population, and for young people in particular, in their own countries.

Furthermore, Asia is among the world's regions at greatest risk of natural disasters. For people in a large number of Asian countries, extreme natural hazards like storms, severe rainfall events, floods, tsunamis and earthquakes represent enormous dangers. Migration induced by climate change (**climate refugees**) will therefore increase over the coming years.

The BMZ supports **civil crisis prevention, non-violent conflict resolution and the management of post-conflict situations and natural disasters**. These include measures for stabilising countries which are particularly affected by refugee movements and for integrating refugees in the host country or reintegrating them in their country of origin, as well as disaster preparedness measures.

WHAT ARE WE DOING ALREADY?

- In order to combat the causes of flight we are promoting measures for **disaster preparedness and management** and creating perspectives and employment for people in their home countries.
- We are promoting civil conflict resolution and prevention in Asia in close cooperation with civil society organisations by means of 40 Civil Peace Service experts.
- With **rapid-impact transitional assistance** we make the dividends of peace tangible; in particular, we create employment opportunities for young men and women in areas hard hit by poverty and migration or affected by heightened conflict potential.

THE CASE OF REFUGEE ASSISTANCE: SUPPORT FOR REFUGEES AND HOSTING COMMUNITIES

Pakistan provides shelter to around 1.6 million registered refugees from Afghanistan, the largest refugee community worldwide. In this refugee situation, which has now persisted for over three decades, the Government of Pakistan must therefore confront questions of refugee protection and voluntary repatriation of refugees as well as the medium and long-term provision of public resources both for the refugees and for the Pakistani communities in which the refugees are settled. For this reason, since 2009 the BMZ has been supporting the 'Refugee Affected and Hosting Areas Programme' led by the Government of Pakistan. Since implementation began, 4 million people from the refugee community and in the hosting communities have been able to receive support. With the contribution of the BMZ, over the past few years 836 individual measures have been completed in five districts in the fields of water/wastewater, health, education, income-generating measures and local infrastructure.

HOW EXACTLY WILL WE STEP UP OUR COMMITMENT?

- In future we will intensify support for measures which stabilise countries especially affected by refugee movements and which contribute to the **integration of refugees in the host country** or reintegration in the country of origin – for example, by improving the living situation of Afghan refugees in Pakistan.
- Within the framework of the special initiative 'Refugees' we will deploy additional resources to **improve the social and economic living conditions of refugees**, to promote their integration or reintegration, and to respond directly to disasters.
- With the Global Initiative on Disaster Risk Management we will create an international platform which brings together concrete needs in seven countries of Southeast and East Asia with hands-on provision of 'disaster risk management made in Germany' (for example from the Federal Agency for Technical Relief).

5. Strengthening human rights, participation and the capacity of state institutions

In many countries of Asia, political development has not kept pace with the speed of economic development. In several Asian states, **human rights** are not sufficiently respected. There is a lack of **minimum standards of democracy and rule of law**. The **situation of women and girls** remains as bad as ever in several states of the region. The principles of rule-of-law statehood are not universally adhered to. Moreover the capacity of the public administration in many places is poor, corruption is high, and the state's own tax revenues are not adequate.

German development cooperation works for the respect, protection and fulfilment of human rights, particularly the **rights of women and girls, the protection of minorities, freedom of opinion and religion and for democratic participation**. In its cooperation with emerging economies the BMZ will insist even more emphatically on self-responsible realisation of the human rights to food, health, education and civil and political rights for those countries' own populations. Moreover we increasingly support the establishment of functioning and equitable tax systems. Germany as a federal state is also particularly in demand with regard to the introduction and implementation of decentralised structures, for example in Bangladesh, Cambodia, Indonesia, Nepal and Pakistan.

WHAT ARE WE DOING ALREADY?

- In nine countries (Afghanistan, Bangladesh, Cambodia, Laos, Kyrgyzstan, Nepal, Pakistan, Sri Lanka and Tajikistan) we are supporting democratic processes for opinion-forming, the building of political will and public participation, inter-alia by means of decentralisation projects and journalist training.
- We are strengthening civil society human rights organisations and national human rights institutions as well as alliances between them – including (sub-)regional alliances – for example the Afghan Independent Human Rights Commission, the Asia-Pacific Forum of National Human Rights Institutions and the South East Asia National Human Rights Institutions Forum.
- We are supporting **rule-of-law dialogues and cooperation arrangements** with China and Viet Nam and will also raise human rights topics openly as part of this.
- We are supporting five Asian states (Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia and Tajikistan) in spending revenue from the extraction of **mineral resources** to benefit their own populations.
- We are supporting five partner countries (Afghanistan, Cambodia, Indonesia, Nepal and Pakistan) in strengthening the capacity of their public administrations.

THE CASE OF WOMEN'S RIGHTS: PURSUING EQUALITY WITH SHARIA AND THE LAW BOOK

Improving the situation of women and girls is a central concern of German development cooperation. In Afghanistan it promotes greater representation of women in the justice system and, at the same time, easier access to legal institutions for Afghan women. It supports the faculties of law and Sharia law in the northern provinces of Afghanistan with training sessions, and makes books containing law texts and specialist literature available so that young people can defend the rule of law in their country. 'The Taliban abused and wrongly used Islamic law. Now we are reclaiming Sharia law for ourselves. We young women are fighting for equality, but within our culture,' says 22-year-old law student Fatima, who also belongs to a women-lawyers' network which is similarly supported by the German Federal Government.

HOW WILL WE INTENSIFY OUR COMMITMENT?

- Jointly with Engagement Global/Service Agency Communities in One World we will hold a **conference for community partnerships with Southeast and Central Asia.**
- We will make **additional resources** available to **strengthen the transparency of public finance systems** and to restrict corruption opportunities in our partner countries.
- We will link our commitment in Afghanistan to concrete political reforms, including progress in **respecting human rights** and **tackling corruption.**

6. Improving structures and living conditions in cities

Urbanisation and the number of **cities** in Asia will continue to increase in the next few decades, as will the economic importance of urbanised regions. Today almost half of Asians already live in cities. 17 of the global total of 30 megacities with more than 10 million inhabitants are located in Asia. In particular, small and medium-sized cities are affected by rapid urban growth. This presents immense challenges to the urban infrastructure (transport, energy, water, sanitation, waste) and in terms of feeding the urban population in these cities. In slums and informal settlements, prosperity and employment remain unfulfilled promises.

German development cooperation is committed to **sustainably improving living conditions in Asian cities, particularly of the urban poor**. We want to support our partners in Asia in limiting the negative environmental impacts of urban growth, conserving the resource base of the cities and harnessing the potential of cities for the development of the country. Liveable, productive and sustainably-oriented cities can only come into being if good governance guarantees access to infrastructure and education and fosters social inclusion as well as efficient administrative structures and urban planning.

WHAT ARE WE DOING ALREADY?

- Through the **Cities Development Initiative for Asia** (CDIA) founded by the BMZ and the ADB we are working with 37 cities in Asia on improving the planning and financing of utility infrastructure. Up to 2014 it was possible to mobilise 3.7 billion euros for investment in urban infrastructure by brokering investment projects to financial institutions. In this way the BMZ is making a considerable contribution to improving the living situation in cities.

HOW WILL WE INTENSIFY OUR COMMITMENT?

- Through the CDIA we will support a further 50 medium-sized Asian cities in attracting investment funds for **sustainable infrastructure projects** and thereby facilitate urgently needed infrastructure investment amounting to 2 billion euros.
- In Bangladesh we will make approximately 40 million euros available for measures on adaptation to climate change in medium-sized cities, thereby minimising internal migration induced by climate change.
- We will intensify approaches for **sustainable, environmentally sound urban and industrial development in India**.

7. Improving health and social protection systems – poverty-reducing and economically worthwhile

Not all population groups in Asia have benefited in equal measure from economic growth and the halving of poverty since 1990. The **divide between rich and poor** has widened in most countries. It is still a reality that 1.3 billion people in Asia live on less than two US dollars a day. Often this poverty is rural and female. The rising income disparities are also turning into a risk for economic development and social stability.

Only those who are healthy and capable of working can participate in the dynamic economy and improve their personal living conditions. **Social protection systems** for people who are old, sick or incapacitated by accidents and other blows of fate are not yet found in most Asian countries, or are not of the necessary quality and the scale required. The **health sector** also requires substantial investment. Germany is in demand as a partner in this area.

WHAT ARE WE DOING ALREADY?

- In ten Asian countries we are supporting the **establishment and expansion of high quality health care or social protection systems**.
- Social protection approaches that have proven successful in our global development partners India and Indonesia (but also Brazil, South Africa and Mexico) are being made available to other countries in the framework of Global Alliances for Social Protection, by means of South-South exchange and triangular cooperation arrangements. We are holding cross-departmental **social policy dialogues** with China.
- As part of the school health programme 'Fit for School' the educational opportunities of 5 million children are being improved through simple health and hygiene measures.

THE CASE OF HEALTH: ACCESS TO IMPROVED BASIC HEALTH SERVICES IN KYRGYZSTAN

In Kyrgyzstan, with German support, it was possible to consolidate the mandatory health insurance scheme as a solidarity-based insurance scheme unique in Central Asia and a state-guaranteed package of basic health care for the population. The practice of informal out-of-pocket payments, particularly for hospital services, could be diminished considerably but is still common practice for the approximately 5.5 million people in Kyrgyzstan, one of Asia's poorest countries. Germany is working jointly with other donors to bring about further reforms, primarily in the direction of improving the quality and needs-orientation of health care, the sustainable and transparent financing of the health system and the abolition of informal out-of-pocket payments. Beyond this Germany supports Kyrgyzstan in its efforts to reduce maternal and child mortality. So far the BMZ has equipped obstetric and neonatal departments in 50 hospitals nationwide and plans to support the establishment of a perinatal centre in Bishkek to provide medical care to women undergoing high-risk pregnancies and to new-born babies.

HOW EXACTLY WILL WE STEP UP OUR COMMITMENT?

- With support from the BMZ, people in six Asian countries will be better insured against the risks of poverty and climate change, such as accidents, crop failures and natural disasters (**climate insurance schemes**). To accomplish this we will commit funding of 20 million euros to facilitate access to micro-insurance.
- With a further 6 million euros we will support the **school health programme** 'Fit for School' in four Southeast Asian countries, thus improving children's educational opportunities.

How we work: Germany's development policy commitment in Asia

German development cooperation takes place in 20 countries in Asia and the Pacific and involves over 2,000 members of staff in our local implementing organisations. We are connected with Afghanistan, Bangladesh, Cambodia, India, Indonesia, Kyrgyzstan, Laos, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Tajikistan, Timor-Leste, Uzbekistan and Viet Nam by especially close bilateral partnerships. We seek to cooperate with China in a new form of partnership on themes of global sustainable development.

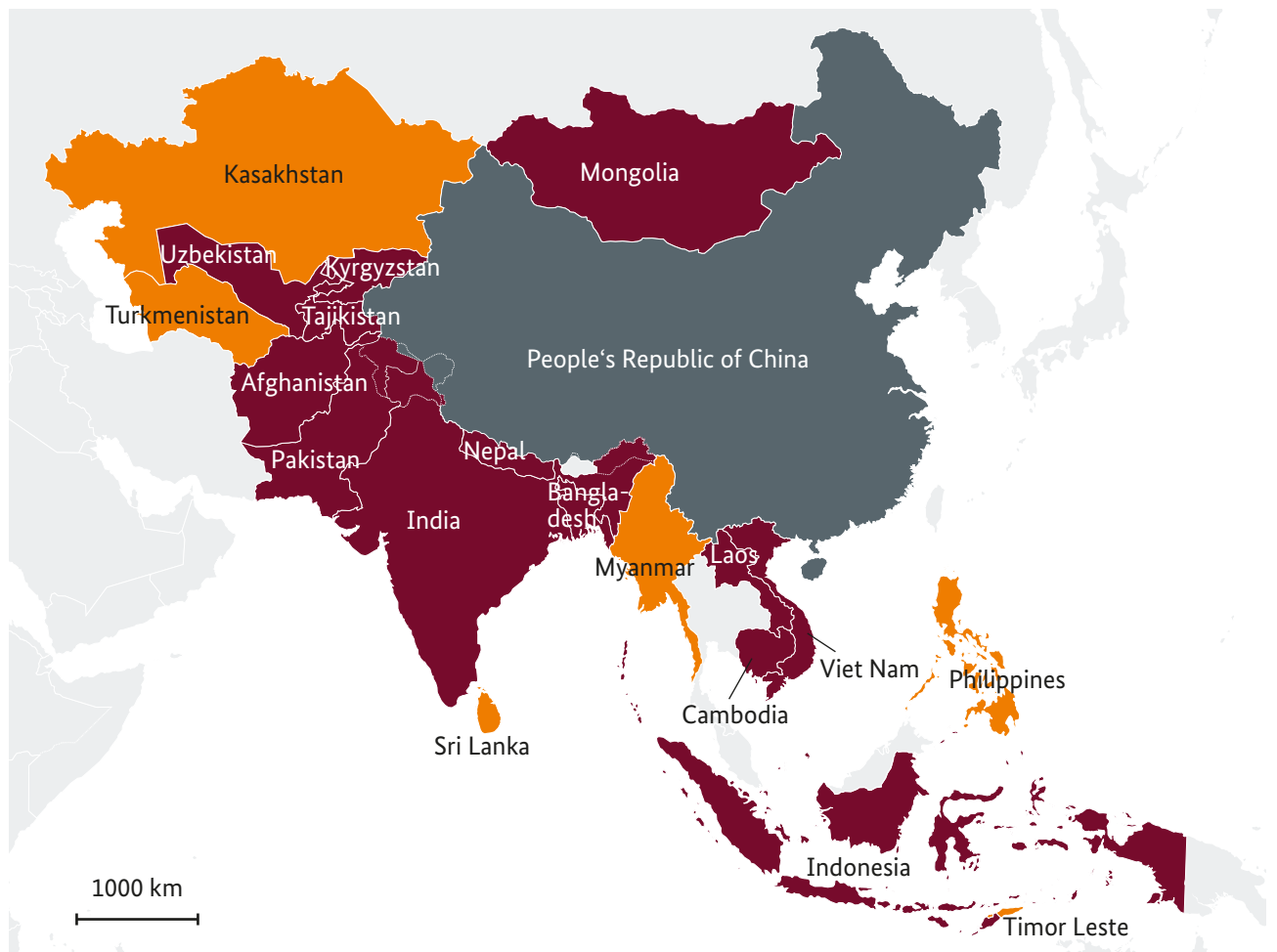
Most recently the BMZ's annual bilateral development inputs in Asia amounted to almost 2 billion euros. This extraordinary financial commitment is made up of subsidies and (to varying degrees, subsidised) loans from capital market resources. On top of every euro that we finance, on average we can commit an additional two euros from the free capital market, making use of loans or subsidies depending on the development status of the given partner country. In addition to this, the BMZ commits further substantial resources to supporting the work of multilateral development organisations in Asia like the Asian Development Bank, the World Bank, the United Nations or the EU Commission.

We implement our broad commitment with our diverse German partners and implementing organisations: with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the KfW Development Bank, the Federal Institute for Geosciences and Natural Resources (BGR), the Federal Institute of Physics and Metrology (PTB), the DW Akademie, the numerous civil society organisations, the churches, the political foundations, German industry, German federal states, municipalities and many others.

The principle of German development cooperation is to cooperate on an equal footing, measuring all partners in terms of their capacity. In cooperation with our Asian partner countries, we make use of a broad spectrum of development policy instruments, which are adapted to the needs and capacities of our partner countries. The greater capacity of the emerging economies is acknowledged by increasingly granting market-based loans instead of concessionary loans and subsidies. In addition we want to encourage our strong partner countries to take up the successful approaches developed jointly with us and carry them forward themselves. Other partner countries in Asia are much more dependent on subsidies and direct technical support. In addition we are strengthening regional cooperation and using our influence purposefully in multilateral organisations to achieve our development policy objectives.

Our aim is to make use of German know-how and innovative investment models to highlight approaches for solving social and environmental challenges which can then be replicated by the partner countries.

Where we work: Map of Germany's partner countries in Asia



Brown → partner countries with bilateral country programmes (A countries): Afghanistan, Bangladesh, Cambodia, India, Indonesia, Kyrgyzstan, Laos, Mongolia, Nepal, Pakistan, Tajikistan, Uzbekistan, Viet Nam

Orange → partner countries with focused regional or thematic cooperation (B countries): Myanmar, Philippines, Sri Lanka, Timor-Leste, Kazakhstan and Turkmenistan (transnational cooperation Central Asia)

Grey → development partnership with the People's Republic of China

The boundaries and names shown on this map do not represent a statement on the legal status of any territories or borders.

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