



Federal Ministry
for Economic Cooperation
and Development

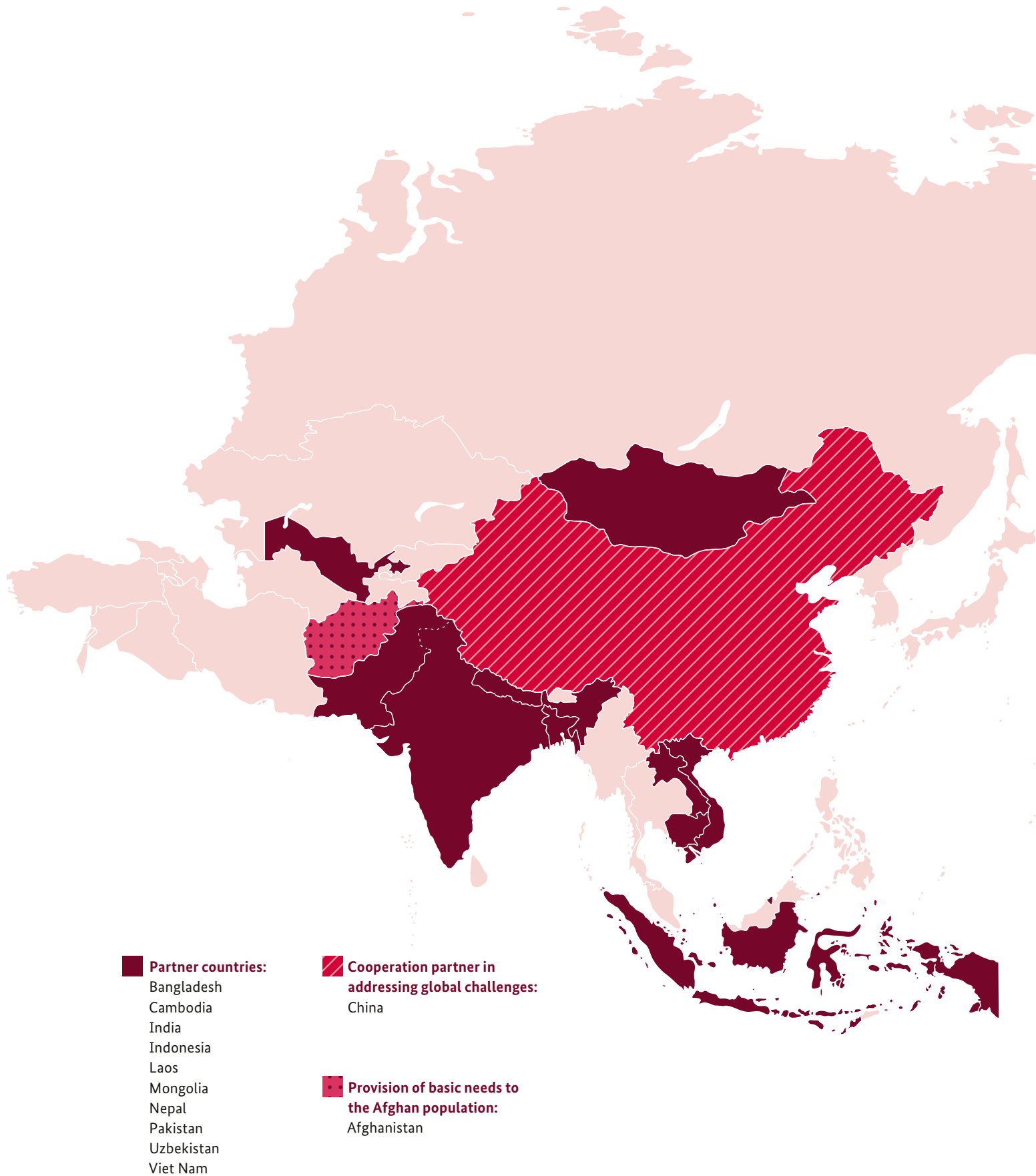
German development policy with Asia

Innovative – social – feminist



bmz.de

German development policy with Asia



Dear readers,

Asia is home to roughly 4.7 billion people – more than half of the global population. What was once termed the world’s “workbench” has now become one of its most economically powerful regions. It has developed into a hub for new and digital technologies and created prosperity for many people. Ten of the 50 richest people on Earth are from Asia, and in particular China and India. At the same time, many Asian countries have recently seen poverty rise once again. In Afghanistan, as much as 97 per cent of the population is currently living in poverty.



How can we draw up a development policy strategy for this multifaceted and diverse continent? The honest answer is that it is a complex task. Applying a uniform approach to cooperation will not produce the desired result. If we are to do justice to the people living in our various partner countries, tailor-made approaches devised in conjunction with the respective partners are required.

Strategic cornerstones are also needed so that we, the German Development Ministry, are able to work together with our Asian partners to meet current as well as future challenges. Many of these challenges – such as climate change or the impacts of wars and conflicts – are transnational in nature. No country can tackle them on its own.

This strategy sets out the cornerstones of our development cooperation with Asia. These can be summed up in three words: innovative, social and feminist.

Innovative, because our aim is to support our partner countries in the region in their transition to green and sustainable economies that will be climate-compatible, have a less detrimental impact on the environment and conserve biodiversity. Here we draw on diverse forms of cooperation and partnership formats, such as the Just Energy Transition Partnerships.

Social, because we want to collaborate with our partners in making this restructuring of the economy socially just, too. We provide support in building social protection systems so that people have a better safety net against poverty, disease and disasters. And we promote technical and vocational education and training and new jobs in sunrise industries so as to offer people the prospect of a brighter future.

Feminist, because we are committed to ensuring that all people are able to participate in society on the basis of equality. After all, fighting poverty and hunger effectively, addressing climate change and achieving peace require not only the perspective of women and girls but also their skills and knowledge.

In this regard, German development policy with Asia is aligned with the 2030 Agenda for Sustainable Development. It is based on human rights and aims to ensure that all people can have a future worth living. For this to succeed, it is vital that work with our partner countries is conducted in a spirit of respect and openness as regards our individual values and interests. We want to learn with and from our partners for the future.

This is also the reason why this strategy was created through a process of consultation over several months. Together with a whole host of experts from and on Asia, we have discussed what form an innovative, social and feminist development policy with Asia might take. We have listened, asked questions, reviewed our existing approaches and made adjustments accordingly.

The new strategy is based on the findings of this exchange. I look forward to now implementing it with our partners.

A handwritten signature in black ink, reading "Svenja Schulze". The signature is fluid and cursive, with the first name "Svenja" and last name "Schulze" clearly distinguishable.

Svenja Schulze
Federal Minister for Economic
Cooperation and Development





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1 Executive summary and key messages

The countries of Asia are key partners (for Germany) in achieving global development, climate and biodiversity goals.

Germany has been a reliable partner in Asia for decades with the development policy it has pursued. Sustainable, transformative and long-term approaches are the principles on which German development policy with the continent are built. It combines climate and environmental topics with poverty and development issues to create holistic approaches for a future-oriented sustainability policy. Although German development policy is guided by its own values and interests, it is also geared to the needs of its partners. Development cooperation with Asia focuses in particular on issues of climate, social and economic policy. However, in light of the COVID-19 pandemic, the effects of Russia's war of aggression against Ukraine, international obligations and the worsening impacts of climate change, German development policy with Asia needs to be redefined. Following several months of consultation with bilateral, civil society, regional and multilateral partners, the following list of cornerstones governing future German development policy with Asia were drawn up. These cornerstones are given priority on the basis of their substance and are forward-looking in nature.

Cornerstones of German development policy with Asia

- I. **Gender equality** – for just and strong societies
- II. Giving a social and inclusive dimension to **climate-compatible development**

III. **Technical and vocational education and training** in green industries of the future – decent, fair and innovative

IV. Harnessing the opportunities of **social protection** as an investment in the stability and future of Asian societies

V. Preserving **biodiversity and ecosystems**; preventing resource conflicts

The areas of action listed here are deliberately formulated as cornerstones. Drawing up standardised approaches to apply to all partner countries is simply not possible for a continent as diverse as Asia. Bespoke agreements are therefore reached with the different partners on how the cornerstones should be implemented. Nevertheless, these cornerstones represent the strategic priorities of German development policy with Asia for the current legislative period and beyond. They will also serve as the basis on which international and multilateral cooperation with Asia in terms of development policy is to be framed.

Germany's development work in Asia – an overview

German development policy adopts a differentiated partnership approach. Shared priority areas of cooperation are agreed, taking into account the needs of partners and the complex social, political and economic context in which they operate. In this context, the modes of delivery and instruments at the disposal of the Federal Ministry for Economic Cooperation and Development (BMZ) are wide-ranging (for example loans or grants). Long-term development objectives are pursued

with Bangladesh, Cambodia, Laos, Mongolia, Nepal, Pakistan and Uzbekistan as bilateral partner countries. The focus of German development policy work with emerging economies, namely India, Indonesia and Viet Nam, is on joint approaches to solving the global issues determining our common future and achieving transboundary goals. China and Germany work together on the basis that they are two development cooperation donor countries whose standards and objectives differ greatly in some cases. In Afghanistan, the BMZ offers support in providing basic needs to the country's population but does not cooperate with the de facto Taliban government in the process.

Inclusivity approach of German development policy with Asia

Current geopolitical and regional conflicts, multiple crises and growing systemic rivalry all influence cooperation with Asia. At the same time, autocratic tendencies are becoming increasingly apparent in Asia – including in German development partner countries.

The Federal Ministry for Economic Cooperation and Development remains a values-led partner for forward-looking, inclusive, human rights-based and just development. Provided that development goals can be achieved, German development policy will continue the dialogue or will pursue a modified cooperation arrangement, even with partner countries where democracy and civil human rights and freedoms are restricted. It engages in open and critical dialogue and is committed to cooperation on an equal footing. Depending on context, it can apply bilateral, multilateral and non-state instruments of development policy and also confirm a commitment to democracy by focusing on specific topics.

The BMZ assists Pacific island states in responding effectively to the challenges posed by climate change. To improve regional cooperation, support is given to bodies such as the Association of South East Asian Nations (ASEAN) for addressing economic integration as well as regional climate action and environmental protection. The protection of transboundary water resources is the focus of development cooperation with the Mekong River Commission (MRC), while management of regional water resources and climate risks is bolstered through the regional approach for Central Asia. Thematic priorities, such as mangrove protection, digital literacy (DigitalSkills2Succeed in Asia) and quality infrastructure are also addressed at regional level.

Bilateral official development cooperation is implemented via relevant organisations, namely the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, KfW Kreditanstalt für Wiederaufbau, the Physikalisch-Technische Bundesanstalt (National Metrology Institute of Germany, PTB) and the Federal Institute for Geosciences and Natural Resources (BGR).

2 Asia's role in the world

The countries of Asia will be instrumental in shaping the 21st century.

Asia is the axis of a multipolar world order. The future balance of global power will be decided both in and with Asia. This is due essentially to the continent's economic and financial power and its strength in terms of technological innovation. China is already playing a key role in this regard, as too is India to an increasing extent. The ASEAN states, with their strong economic and demographic growth, continue to gain in importance as well.

With China and India ranking as the world's second and fifth largest economies respectively, **Asia is a global economic powerhouse.** Economic development and trade with Asia also have a significant impact on global prosperity. What was once termed the "workbench" of the world is evolving more and more into an innovation and technology hub and a digitalisation trailblazer. In other Asian countries too, the pace of economic development is tremendous.

The countries of Asia are shaping the multi-lateral world order and expanding their global influence. Asia's emerging economies are already defining the political agendas in the United Nations, the World Trade Organization (WTO), the G20 as well as through cementing bilateral relations with third countries and expanding their own regional alliances. As their aspiration to play a greater role grows, they will also be expected to take global responsibility.

Asia is the most populous continent. With an estimated 4.75 billion residents at present, Asia is home to more than half of the world's population. India alone has about as many inhabitants as the whole of Africa. However, demographic trends in Asia are moving in different directions. Whereas the high proportion of young people poses a significant challenge and opportunity to society in some countries, other nations are experiencing rapid ageing.

Like other regions around the world, Asia is unlikely to meet the 17 Sustainable Development Goals (SDGs). This is true both for developing countries and emerging economies in Asia. Progress towards achieving the SDGs in the Asia-Pacific region has slowed due to the fallout from the COVID-19 pandemic, Russia's war of aggression against Ukraine and worsening climate change.

Greenhouse gas emissions in Asia are growing faster than the global average – even though per-capita emissions are in some cases low. China alone is responsible for just under a third of global emissions. Asian countries are the world's leaders in terms of coal production: China is the largest producer (4,430 million tonnes), followed by India (937 million tonnes) and Indonesia (690 million tonnes), ahead of the United States of America (540 million tonnes). Three quarters of the world's coal and lignite consumption in 2022 took place in Asia.¹ At the same time, the share of renewable energies is increasing, along with the demand for such sources.

Asia is severely impacted by the effects of climate change. Between 2000 and 2019, six of the ten countries most affected by climate change were in Asia.² Shifting monsoon patterns, glacial melt in High Mountain Asia, rising sea levels, tropical storms, droughts and flooding are threatening people's livelihoods.

Asia has a unique biodiversity and valuable ecosystem services. The rising demand for energy and resources, rapid urbanisation, the impacts of climate change and the overexploitation of natural resources are all placing great strain on the environment and causing terrestrial and marine biodiversity loss. Growing pressure on limited natural resources is also leading to conflict both within and between states about how these resources are used.

¹ <https://yearbook.enerdata.net/coal-lignite/coal-world-consumption-data.html>

² Germanwatch Global Climate Risk Index 2021



Eight of the ten river systems discarding the most plastic into the oceans are in Asia. The discharge of significant amounts of plastic debris and other hazardous waste into the oceans via the major river systems is the result of poor waste management and the lack of a circular economy. Any efforts to relieve the world's oceans of plastic waste need to focus on these river systems.

21 of the world's 34 megacities are in Asia.

Two of the four largest megacities, namely Delhi (32.9 million inhabitants) and Dhaka (23.2 million inhabitants) are situated in partner countries of German development policy.³ By 2030, 55 per cent of Asia's population will live in urban areas, up from approximately 50 per cent at present. Making all cities sustainable, climate-neutral, resilient and liveable, and ensuring that all inhabitants have access to infrastructure, services and housing will be vitally important.

Asia is affected by conflicts and crises. In two countries in particular, namely Myanmar and Afghanistan, a lack of prospects, precarious living conditions, regional destabilisation as well as forced and internal displacement are the results of the situation domestically. A total of 6.8 million refugees, almost 5 million internally displaced people and an estimated 2.5 million stateless people – the majority of these Rohingya from Myanmar – currently rely on support in Asia.⁴ Neighbouring countries, most notably Bangladesh and Pakistan, have already taken in millions of refugees. In Afghanistan, 97 per cent of people live in poverty; the socio-economic situation is alarming. According to figures from the United Nations (UN), 29.2 million people in Afghanistan – equivalent to around 75 per cent of the population, need humanitarian assistance.

³ Destatis 2023

⁴ www.uno-fluechtlingshilfe.de/hilfe-weltweit/asien (German only)

3 Interests and values

What we achieve in Asia has an impact on Germany and the European Union.

German development policy is based on values and interests. These values are universal human rights, democracy, rule of law, sustainability standards, social standards and gender equality; the interests are the global attainment of the SDGs and the Paris climate goals, which are vital for sustainable development both in Germany and in our partner countries. German development policy with Asia is embedded in the German government's policy guidelines for the Indo-Pacific (2020), the National Security Strategy and the China Strategy of the Government of the Federal Republic of Germany (both published in 2023) and contributes to the implementation of the EU-Indo Pacific Strategy and Global Gateway in Asia. The main interests of German development policy in Asia are as follows:

Achieving the 2030 Agenda's Sustainable Development Goals (SDGs)

Despite some progress, the implementation of the SDGs in Asia is not on track. Based on current trends, none of the SDGs will be achieved by 2030; 90 per cent of the 118 measurable targets will be missed unless efforts are multiplied. The actions of German development policy are guided by the 17 SDGs.

Protecting the climate, strengthening resilience and preserving biodiversity

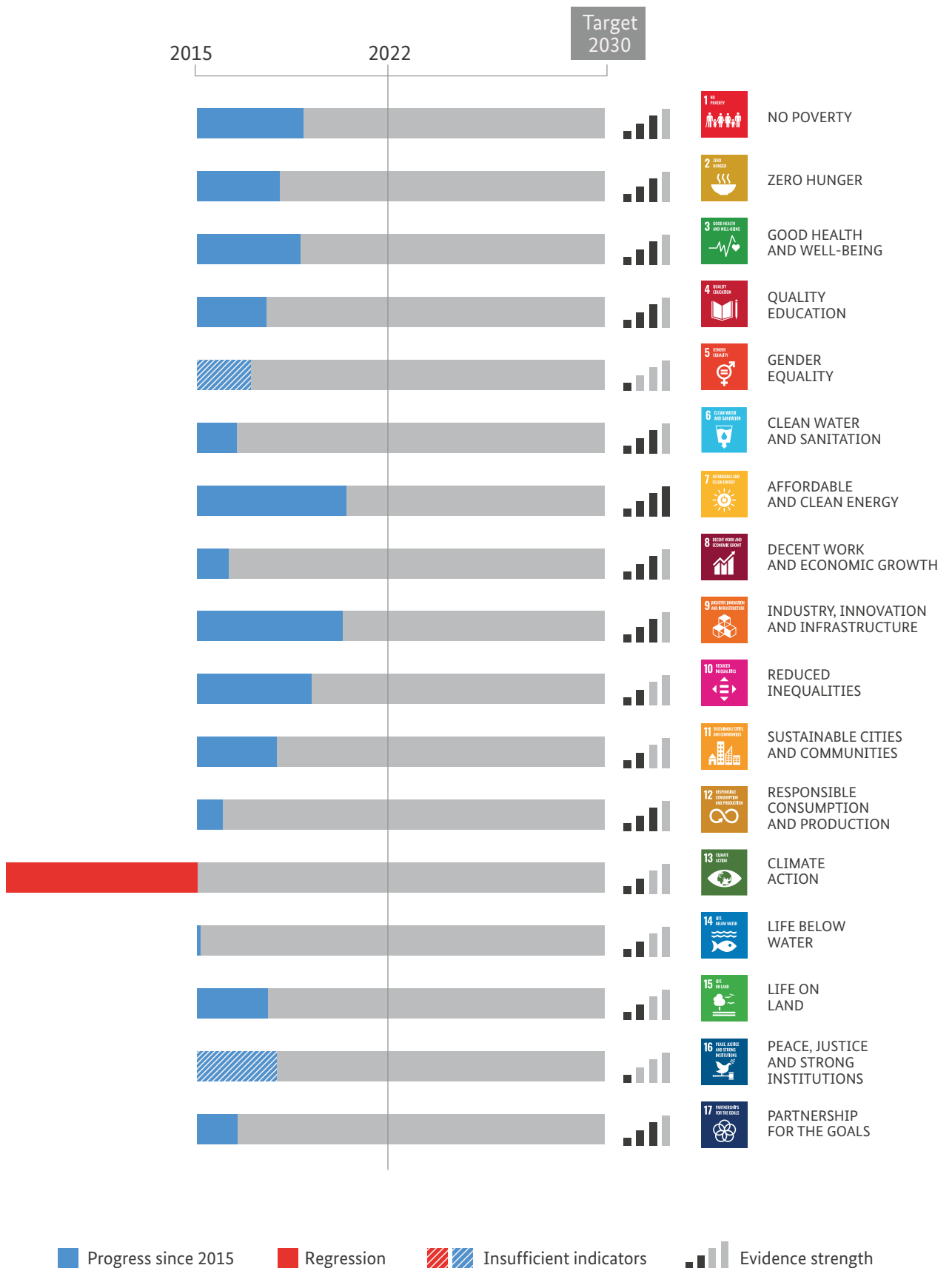
Asia is a major emitter of greenhouse gases and at the same time is particularly impacted by climate change. Its biodiversity is unique. With its large expanses of forest, it is considered to be one of the "green lungs" of our planet. Only by working

together with Asia will it be possible to achieve global climate and biodiversity goals, in particular the 1.5 degrees Celsius limit set out in the Paris Agreement and climate neutrality by the middle of the century, as well as the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF). The Federal Ministry for Economic Cooperation and Development (BMZ) makes key contributions to global climate change mitigation, forest protection, ecosystem preservation and strengthening climate resilience. In so doing, it also helps countries harness the economic potential offered by green sectors.

Promoting economic resilience and sustainable societies

Recent decades have seen large parts of Asia record extremely high levels of economic growth. This has been accompanied by widening income inequality over the last 25 years. In 2020, the fight against poverty on the continent suffered a setback, for the first time, as a result of the COVID-19 pandemic and its knock-on effects, with a further 75 to 80 million people in Asian developing countries falling into extreme poverty. The BMZ supports the creation of decent jobs, the expansion of social protection systems, minimum social and environmental standards and fair, deforestation-free supply and value chains – from raw materials to the final product.

Snapshot of SDG progress in Asia and the Pacific, 2022 (UN ESCAP 2023)



Source: UN ESCAP – Asia and the Pacific SDG Progress Report 2023 – Championing sustainability despite adversities.



Reinforcing human rights-based approaches

Germany and its partner countries in Asia have ratified international human rights agreements and thereby recognised their implementation as binding. Progress towards the realisation of human rights and the problems that may arise in the process are also addressed as part of development policy dialogue between the BMZ and its partner countries. Special emphasis is placed on particularly disadvantaged groups (for example Indigenous Peoples, people living in poverty, people with disabilities, children and young people, LGBTIQ+ persons⁵). German development policy can help in ensuring that everyone is able to lead a self-determined life with dignity and security in an intact environment.

Advancing gender equality

In Asia, women and girls often face considerable inequality. At 21.2 per cent, the share of female parliamentarians in Asia is one of the lowest in the world. Women represent two thirds of the poor in Asia, a situation that is often the result of patriarchal mindsets and power structures, discrimination in employment, limited access to basic services, health, education and land tenure. UN experts are of the view that the systemic discrimination directed towards women and girls in Afghanistan counts as a crime against humanity.⁶ The aim of the BMZ is to overcome the structural causes driving (gender) inequality and abuse of power.

⁵ The abbreviation LGBTIQ+ stands for lesbian, gay, bisexual, trans, intersex and queer persons. The plus sign (+) at the end recognises that there are other gender identities and sexual orientations that are not mentioned specifically in the abbreviation. LGBTIQ+ persons continue to experience violence and discrimination everywhere in the world.

⁶ Report of the UN Special Rapporteur on the situation of human rights in Afghanistan

Supporting a vibrant and critical civil society

A vibrant and critical civil society is vital to the stability and development of a society. In order to manage development processes successfully and, above all, sustainably, those affected need to initiate and take responsibility for them. The space for civil society is shrinking in many countries in Asia. In 24 countries, the scope of civil society to take action has been restricted, suppressed or closed. This means that activists who criticise those in power are subject to surveillance, harassment, intimidation, detention or even death.⁷ The BMZ advocates for broad and transparent participation by civil society organisations and stakeholders in Asia, free from repression, and continues to expand cooperation with local civil society.

Promoting regional integration and stability – countering fragility

Fragility and multiple crises, many of them protracted, form the landscape influencing German development policy with partner countries in Asia. As far as sustainable development is concerned, unresolved border disputes, extremism, high numbers of refugees and internally displaced people, (transboundary) conflicts over resources and climate-induced displacement represent massive obstacles, the adverse impacts of which are felt by individual regions in Asia through to entire societies. Besides mitigating the root causes of fragility and strengthening people's resilience by creating prospects of a brighter future, development policy also responds flexibly to emerging crises.

⁷ Atlas der Zivilgesellschaft 2023, p. 24 | oekom and Brot für die Welt

4 Cornerstones for the future alignment of German development policy with Asia

Taking the interests and values listed above as a basis, the Federal Ministry for Economic Co-operation and Development lays down specific cornerstones for the future alignment of German development cooperation with Asia. Building on the cooperation arrangements already in place, these cornerstones are used to set out a new strategic course for addressing current and future challenges. The development policy levers demonstrate ways in which the cornerstones are to be implemented in the individual areas of action.

Gender equality – for just and strong societies

All bilateral partner countries of German development policy in Asia have ratified the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and thus undertaken to uphold women's equality in all areas of life, including their private life. Promoting gender equality is a cross-cutting issue of German development policy. In future, all German development policy projects conducted with Asia will address structural causes of gender inequality, thereby contributing to peaceful and inclusive societies and to the realisation of human rights. Consulting closely with our partners and taking the country context into account, the aim of this approach is to promote participation in social, political and economic life by all people.

Together with bilateral, international, multilateral and non-state partners, the BMZ will address the “3Rs” – rights, resources and representation of women and marginalised groups – and from now on prioritise gender-transformative projects in Asia.



Development policy levers

Spotlight on climate and natural resources

- Supporting women in the sustainable management of water, forests and soil (agroecology)
- Taking account of women's gender-specific needs for climate-adapted, inclusive urban development and gender-sensitive mobility



Spotlight on technical and vocational education and training (TVET)

- Promoting practice-oriented TVET with a focus on the needs of the labour market and on targeted support to empower (female) entrepreneurship
- Developing training opportunities in green technologies, geared to a target group of women and girls
- Collaborating with women's associations within the framework of economic development

Spotlight on rights

- Ending gender-based violence within close social relationships and in the workplace and tackling cyber violence against women
- Strengthening the rights of LGBTIQ+ persons
- Supporting local (feminist) non-governmental organisations and trade unions
- Providing assistance with access to local legal systems and legal advice
- Involving men as key change agents to eliminate discriminatory gender roles

Spotlight on peace and security

- “With women, for women” is the maxim for all projects in Afghanistan
- Strengthening the rights, representation and resources of women in host communities and refugee camps
- Supporting climate migrants

In **Bangladesh**, gender equality is addressed in measures to enhance resilience to the impacts of climate change. The promotion of gender equality also plays an important role in all projects to support Rohingya refugees.

In **Pakistan**, opportunities for women to gain a decent income and employment are supported, for example in the textile and fashion industry, along with training in technical fields and managerial roles.

Giving a social and inclusive dimension to climate-compatible development

Cooperation with Asia in the field of climate policy is, and will continue to be, the nucleus of German development policy with the continent. Climate and development are inextricably linked. There can be no “either-or” when it comes to these key issues. Solid climate and development partnerships (with India and Pakistan) and bilateral partnerships on climate and forests (with Indonesia, Laos and Viet Nam) are a striking testament to our broad-based support for the climate and development goals of partner countries in Asia. The plurilateral Just Energy Transition Partnerships (JETPs) agreed with Indonesia and Viet Nam highlight the potential of working together with international partners on climate policy and thus point the way for future efforts towards a socially just phase-out of fossil fuels.

The guiding principle of a just transition, with its fundamental components of opportunities, justice and inclusivity, will be rigorously adhered to in our future cooperation with Asia on climate policy. In this context, just transition means harnessing the economic opportunities presented by a green energy transition, while simultaneously managing the transition to a sustainable economy and society in a way that is socially just and inclusive and thus complies with the principle of leaving no one behind (LNOB).

The various challenges involved in adapting to climate change and managing climate-related loss and damage also need to be addressed in a manner that is socially just and reflects not only the realities of people’s lives, but also existing inequalities and protection for disadvantaged population groups. The BMZ will pursue these objectives in its bilateral cooperation as well as in the steering bodies of multilateral climate funds focusing on Asia.



Development policy levers

Spotlight on climate action – clean and safe energy sources and energy efficiency

- Implementing Nationally Determined Contributions (NDCs) and developing long-term low-emission development strategies (LT-LEDS)
- Adopting a comprehensive approach to fostering energy transitions in order to
 - reduce greenhouse gas emissions and phase out fossil fuels, including the modernisation of energy systems
 - decarbonise the economy and the transport sector
 - strengthen partner countries as locations for business
 - reduce dependence on global or regional energy exports
 - strengthen universal access to green and climate-friendly energy and cushion the adverse impacts of the energy transition on particularly vulnerable population groups (just transition)
- Expanding regional energy networks (green energy corridors)
- Promoting a quality infrastructure and quality services to guarantee the safety, reliability and environmental compatibility of sustainable energy systems and local value chains in the field of renewable energies
- Providing support in setting up the production of green hydrogen and its derivatives
- Developing innovative funding approaches to mobilise private investment for the energy transformation

Spotlight on climate change adaptation and on strengthening resilience

- Strengthening partner countries' adaptive capacities and resilience
- Providing support in mobilising capital for investments in green, climate-resilient infrastructure, including nature-based solutions, and creating the requisite economic policy framework
- Supporting people in the context of climate-induced displacement

Spotlight on sustainable urban development and urbanisation

- Supporting integrated urban development in order to make rapid urbanisation a process that is not only socially, environmentally and economically sustainable but also promotes gender equality
- Supporting emission-neutral, inclusive and gender-sensitive mobility
- Providing support in establishing a circular economy
- Promoting inclusive basic service provision
- Developing and expanding climate-neutral infrastructure and buildings
- Strengthening city partnerships and formats for municipal exchange

Spotlight on measures to insure against climate-related loss and damage

- Bolstering resilience through climate risk finance and insurance

In **Uzbekistan**, Germany is providing support for sustainable urban development to towns and cities in the particularly vulnerable region bordering Afghanistan and in the densely populated Fergana Valley. The focus of this support is on making more efficient use of the very limited water resources throughout the region, for instance by installing modern wastewater treatment plants.

JETP Indonesia. Under the JETP agreed in November 2022, Indonesia, the G7 countries and other bilateral, multilateral and private stakeholders signed up to ambitious targets for a socially just energy transition with a sharper fall in greenhouse gases in Indonesia. In **India**, German development cooperation contributes directly and indirectly to an annual reduction in carbon dioxide (CO₂) of approximately 80 million tonnes. In future, support is to be provided for the socially and environmentally sustainable closure of coal mines and the development of a green hydrogen sector.



unions should be involved in the various measures, thereby ensuring that employees' interests are consistently taken into account.

The focus of the Federal Ministry for Economic Cooperation and Development's activities in future will be on green jobs in industries of the future, in particular in climate action and environmental protection.

Technical and vocational education and training in green industries of the future – decent, fair and innovative

The promotion of technical and vocational education and training (TVET) is a flagship of German development policy in Asia. TVET for green jobs is the foundation of skills required for meeting climate and development goals and achieving a social-ecological transformation. This is because well-trained people are needed in order to carry out jobs that are in some cases demanding. At the same time, any support for fair and green jobs must also help in formalising informal jobs and, consequently, reach women and marginalised population groups in particular. Training should be designed in such a way that graduates have the freedom to choose where they work in future, whether in their home country or elsewhere in the world. Ultimately, skilled training also opens up the opportunity for fair migration for work purposes. Trade

Development policy levers

Spotlight on a just transition

- Modernising TVET systems for green jobs and green skills geared towards the labour market and employment opportunities
- Expanding centres of excellence for green jobs
- Creating and scaling up opportunities for training in the area of renewable energy
- Strengthening small and medium-sized enterprises (SMEs) (including through loans)
- Supporting networks of innovative SMEs and start-ups as well as (local) business associations and enterprises
- Providing support for the socially just phase-out of mining and fossil fuel use in favour of a switch to sustainable energy supply

Spotlight on the textile industry

- Conserving resources and using them sustainably
- Making the textile industry more circular and creating new jobs in sustainable industries in the process
- Promoting green energy and industrial value chains

Spotlight on digital technologies at the interface with green jobs

- Using digital tools, including the “atingi” learning platform, to nurture professional skills

Spotlight on regular migration

- Forging partnerships with partner countries in Asia to promote development-oriented migration to Germany for the purposes of employment or training in industries of the future, for example within the framework of migration agreements

- Helping partners to promote the protection and self-determination of migrants in vulnerable situations (for example children and women) in an effort to reduce precarious working conditions (Asian partner countries: India, Nepal, Viet Nam)

In **Viet Nam**, German development policy is supporting the creation of migration partnerships for training and employment. These partnerships train metal technology experts in parallel for companies in Viet Nam and Germany.





Harnessing the opportunities of social protection as an investment in the stability and future of societies in Asia

Social protection is a human right. Adaptive social protection systems strengthen societies as a whole, provide security for each and every individual and offer them protection not only against crises but also in their aftermath. As a result, social protection means both protection and preparedness. The systems are also a structural lever for effective poverty alleviation, the reduction of inequalities, the promotion of economic and social participation in keeping with the approach of leaving no one behind, and for gender equality as a central pillar in a feminist development policy. As extreme weather events and natural disasters increase, disaster risk management and climate risk insurance schemes designed to secure people's livelihoods are becoming more and more important.

More than half of the population of the Asia-Pacific region (55.9 per cent) has no access to social protection systems. In Asia, German development policy supports health and social protection systems which act as a safeguard not only against individual risks such as illness, but also against collective dangers such as earthquakes, volcanic eruptions, extreme weather events, price shocks or pandemics. In this way, climate-related loss and damage is also addressed more effectively (for example through the Global Shield against Climate Risks).

The Federal Ministry for Economic Cooperation and Development will in future continue to work towards ensuring that more people have access to social protection.

Spotlight on reform efforts and multilateral cooperation

- Strengthening advisory services on reform efforts and reform policy in national agendas and promoting such services with multilateral partners (United Nations, Asian Development Bank, World Bank, European Investment Bank)

Spotlight on private sector involvement

- Working with the private sector (for example reinsurance companies) to develop and implement market-based approaches for mobilising funds

Spotlight on the use of (multilateral) climate instruments

- Expanding the range of instruments providing coverage for vulnerable population groups against climate risks (including gender-transformative and inclusive approaches)
- Expanding adaptive social protection so as to reach people in crisis situations rapidly and effectively; this is to be carried out in conjunction with improvements to disaster risk management and the expansion of climate risk insurance



Spotlight on digitalisation

→ Promoting digital transformation in social protection systems, for example through the development and use of digital technologies to manage health and social protection programmes, the creation of social registers and optimised disbursement mechanisms via mobile applications, the development of technical standards and introduction of chip cards, or through the expansion of satellite-based forecasting in agriculture.

In **Nepal**, measures are in place to support better access for women to health insurance and to expand coverage to include further population groups. In **Cambodia**, the Federal Ministry for Economic Cooperation and Development is supporting the country's efforts to expand its social protection system so as to improve the quality of healthcare. In **Bangladesh**, the Federal Ministry for Economic Cooperation and Development and the International Labour Organization (ILO) are supporting the creation of a system of accident insurance for people working in the textiles and leather goods industry.

Global Shield/InsuResilience Pakistan: Protection against climate risks. Since 2018, the number of women in Pakistan to have been protected by a climate risk insurance scheme already stands above 90,000. The insurance recently provided cover for more than 1,200 people who suffered flood-related loss in August 2022.



Preserving biodiversity and ecosystems; preventing resource conflicts

The Federal Ministry for Economic Cooperation and Development is helping partners in Asia to implement their national biodiversity targets and to protect global goods. To facilitate future growth and prevent conflicts, protected areas are being expanded and measures to sustainably manage and restore ecosystems are being promoted. A particular focus here is on coastal protection and on areas covered by forests, mangroves and peatlands. The worldwide increase in the pollution of marine ecosystems by litter is to be reduced by setting up an integrated waste management system based on a source-to-sea approach.



Spotlight on the protection, use and restoration of ecosystems

- Providing support for the protection, use and restoration of forests (peatlands and mangrove forests), oceans and wetlands
- Extending protected areas, including across borders
- Managing water resources sustainably and across borders

Spotlight on the expansion of the circular economy in urban areas

- Reducing plastic discharge into the oceans through a targeted expansion of both the circular economy and environmentally sound waste management in urban areas
- Providing support to strengthen urban ecosystems through the expansion of green and blue infrastructure and the creation of semi-natural public spaces

- Promoting local or regional circular value chains for sustainable products (for example construction materials)

The setting-up of a river monitoring system, improved flood and drought management and the provision of advisory services to the Secretariat of the **Mekong River Commission (MRC)** are some of the ways in which the BMZ is supporting the **MRC** on the issue of trans-boundary water management in the Lower Mekong Basin.

Sundarbans mangroves: To protect the Sundarbans, the world's largest contiguous mangrove forest, the BMZ will support **Bangladesh** develop adapted solutions for climate-resilient livelihoods of the people who live there and are dependent on its ecosystem services.

5 German development policy with Asia's sub-regions

South Asia is the most populated region in the world, comprising almost a quarter of the global population. According to data from the Asian Development Bank, it is also the continent's fastest-growing sub-region in economic terms, with growth for 2023 forecast to reach 5.5 per cent. Based on projections by the World Bank, between 1.5 and 1.7 billion people in South Asia will be vulnerable to water scarcity by 2050 as a result of glacier melt in the Himalayas and changing precipitation patterns. Employment growth in South Asia lags population growth; furthermore, at less than 30 per cent on average, the female labour force participation rate is low.

The three issues overarching German development policy are therefore as follows: "sustainable and social transformation of energy systems and economic systems", "gender equality" and "conservation of vital natural resources":

- The expansion of renewable energy is a priority area of development cooperation in all South Asian partner countries. One example of this is the Green and Sustainable Development Partnership entered into with India. Germany and India have committed to join forces in driving forward their efforts to achieve the Paris climate goals and the SDGs in the period up to 2030. The Partnership is intended to advance a just energy transition, sustainable urbanisation, a transformation in mobility, greater use of agroecology and the sustainable management of natural resources.
- A Climate and Energy Partnership forms the centrepiece of cooperation with Pakistan. A climate-friendly transformation of the energy sector forms the focus of the entire cooperation portfolio with Pakistan and includes, among other things, vocational training in renewable energy hubs.
- As pathfinder countries under the Global Shield against Climate Risks, Pakistan and Bangladesh are granted priority support for the introduction of risk financing mechanisms.
- Targeted training and upskilling projects are used to increase the number of women in employment. A focus is also placed on reducing violence against women and girls within close social relationships in Bangladesh. Besides increasing women's labour market opportunities and participation, this is designed to strengthen their rights, resources and representation in the economy and society, eliminate discriminatory gender norms and end gender-based violence.
- By expanding agroecological approaches in India and by strengthening the circular economy in Bangladesh, efforts to decouple economic growth and increasing resource consumption are receiving support.



→ Informal settlements with inadequate infrastructure are severely restricting the prospects of the people living there. The BMZ therefore supports integrated urban planning in India, including steps to improve drinking water supply and waste water disposal. In Bangladesh, towns and cities are being given planning support for taking in climate migrants.

As well as boasting a rich geographical diversity that includes tropical rainforests, mountain ranges, islands, coastlines and river deltas, **Southeast Asia** is renowned for being a biodiversity hotspot. The region has an abundance of natural resources, such as oil, coal, precious stones, nickel, wood and agricultural products. Although these characteristics present economic opportunities, they also pose environmental challenges. Given their economic and population growth, the countries of Southeast Asia are confronted with growing energy demand and the challenge of how to combine industrialisation and decarbonisation in a way that is socially acceptable. Rapid urbanisation and industrialisation have given rise to environmental problems like air pollution, water scarcity,

deforestation and biodiversity loss. This in turn is rendering Southeast Asia even more vulnerable to the impacts of climate change, such as rising sea levels, extreme weather events, droughts and heat waves. Increasingly, the countries in the region address cross-border challenges of this nature within the framework of the regional organisation ASEAN, thus making it a key partner for cooperation with the region in the area of development policy.

Faced with these challenges, cooperation between Germany and many countries in the region is focused on protecting the climate and the environment. Particular priority areas are as follows:

→ Technology transfer: Thanks to its expertise and technologies in the fields of renewable energy, energy efficiency, mobility, the circular economy and waste management, and sustainable agriculture and associated quality infrastructure, Germany is able to use knowledge sharing and technology transfer as a way of supporting Southeast Asian countries' efforts to reduce emissions.





- Support for transformation processes, including infrastructure financing and advice on reforms, working closely with bilateral and multilateral donors as well as with the involvement of the private sector.
- Capacity building: Germany is using vocational education, workshops and technical training and exchange programmes to help increase awareness and understanding of climate change and environmental protection in Southeast Asia.



- Financial support: Through support for climate change adaptation in Southeast Asia, Germany is encouraging the development of sustainable infrastructures, the protection of ecosystems and an increase in climate resilience.
- Social justice: Measures to prevent climate change from having adverse social impacts on disadvantaged sections of the population and to foster fair development pathways play a major role in this process of change.
- Involvement of Indigenous Peoples: Support in conserving and using biodiversity through the protection of forests, peatlands and mangroves as well as the promotion of sustainable land use are vital to preserving the region's globally unique biodiversity. The experience and expertise of Indigenous Peoples play an important role here.

Central Asia is becoming increasingly important in geopolitical terms. Its open foreign policy and its largely neutral status are hallmarks of the region. Nestled between Russia, China and Afghanistan, the five countries that make up Central Asia – namely Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – face economic and security challenges as a result of Russia's war of aggression against Ukraine and the Taliban's seizure of power. Environmental challenges, most notably water scarcity as a severe impact of climate change, are exacerbating the situation. German development policy is therefore also an important contributory factor to peace and security. In this regard, reform-minded Uzbekistan is an outstanding partner as it displays a growing commitment to regional integrity.

A priority area in the countries of Central Asia is sustainable economic development, with a focus on both the transition to a green economy and employment prospects. Environmental and climate impacts are prompting the countries to pursue a green transformation of their economic systems. Fostering the employment of women and people from disadvantaged population groups is a key component of German development cooperation's activities.



Thanks to its extensive experience in the health care sector of partner countries in Central Asia, German development policy was a notable source of support in tackling the COVID-19 pandemic. This experience is now being used to develop cooperation further, with a focus on primary health care and maternal and child health.



Promoting economic development and countries' shared solutions for the sustainable and fair management of scarce (water) resources is pivotal to regional cooperation with Central Asia. Only in this way can cross-border challenges, such as the consequences of climate change, be mitigated and peace and stability in the region safeguarded. Germany's activities in Central Asia, which are focused on the areas of water, energy and climate change, are brought together under the whole-of-government Green Central Asia Initiative. Germany's contribution to the Team Europe Initiative on Water, Energy and Climate Change is therefore also significant.

Recent decades have seen **China** become the world's second largest economy and record notable achievements in many development indicators and in tackling poverty. China has now also become the most important development actor in South-South cooperation and the largest bilateral lender for many developing countries.

According to the definition used by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD), China itself is still formally considered a developing country, without this giving rise to any legal obligation with regard to development cooperation with China. Furthermore, it is likely that it will lose this formal status in the second half of this decade.

Given China's capacity to contribute towards its own development, bilateral development cooperation between the Federal Ministry for Economic Cooperation and Development and China was ended more than a decade ago. Nevertheless, the BMZ continues to work with China on providing and protecting global public goods and on implementing the 2030 Agenda for Sustainable Development. The two parties hold discussions on standards and practices in development cooperation, which in turn are underpinned with individual projects carried out jointly for the benefit of third countries (so-called triangular cooperation projects). These must meet official development assistance (ODA) standards and be demand-driven, with careful consideration given at all times to the benefits and risks of the cooperation. China and Germany work together on the basis that they are two development cooperation donor countries. Except for a small number of cases, no commitments from the BMZ budget are made for projects with China.

Relations between the BMZ and China are aligned with the German government's extensive Strategy on China, published in July 2023. This follows the EU's approach in describing China as a partner, competitor and systemic rival and notes that elements of rivalry and competition in the relations have increased in recent years.



The humanitarian situation in **Afghanistan** has worsened dramatically since the Taliban's seizure of power in August 2021. The de facto government is failing to live up to its responsibility to the Afghan people. The number of people in need of humanitarian assistance currently stands at 29.2 million; 97 per cent of the population is living in poverty. Women and girls are especially affected. Systematic human rights violations, most notably habitual discrimination against women and girls, are compounding matters further. The climate crisis is hitting Afghanistan particularly hard too, with floods and droughts on the increase.

Even following the seizure of power by the Taliban, the BMZ continues to support the structures providing the Afghan people with their basic needs while also strengthening their resilience. This support is provided at the community level and without involving the Afghan government, and is implemented via the United Nations, the World Bank, the Asian Development Bank and non-governmental organisations. All programmes are carried out based on the internationally agreed principle "with women, for women". This means that it is important to ensure that women are able to continue working in all projects and that all measures reach women and children. The BMZ also systematically evaluates lessons learned so as to be even better equipped in future to carry out development work in other regions affected by crisis and conflict.

6 Partnerships – achieving goals together

Working better together – adopting a joint approach, with and within the EU

German development policy with Asia is embedded in the implementation of the European Union's Indo-Pacific and Global Gateway strategies, with the European and German goal being to pool measures, strengthen co-financing and advance shared interests and values with a view to scaling up impacts. The formulation of common political messages and joint political dialogue are core factors in this regard. This extensive cooperation is to be stepped up in line with the cornerstones of German development policy with Asia.

Future approaches

- New projects on climate-friendly infrastructure (including energy, mobility, circular economy and waste management) will be harmonised with Global Gateway approaches and will contribute to them if possible.
- Joint innovation projects (co-financing arrangements) on infrastructure will be developed with the European Commission.
- Accompanying vocational training measures for green jobs in the context of the Global Gateway projects will be identified.
- Systematic participation in national and regional Team Europe Initiatives in Asia will be continued and the (joint) leading role in further Team Europe Initiatives will be assumed.

Common German-European development policy

Germany currently participates in Team Europe Initiatives in Asia with projects totalling approximately 2.6 billion euros. The Federal Ministry for Economic Cooperation and Development is involved in 14 of the 17 national, and 4 of the 6 regional Team Europe Initiatives in Asia, as well as in 11 Global Gateway flagship projects for 2023. German development policy with ASEAN is implemented exclusively under the Team Europe approach. EU Joint Programming is in place for Laos, Cambodia and Uzbekistan.

Multilateral approach

Strategic alliances: Global crises and challenges can only be resolved through joint effort as part of a multilateral approach. This is why, together with like-minded partners, the BMZ advocates the protection and conservation of global public goods. The work of committees in international organisations and funds are platforms used to this end, along with international dialogue and negotiation processes. Our bilateral partner countries in Asia are key allies in these activities.

Cooperation with the United Nations: The BMZ works directly with the United Nations and its organisations, funds and programmes in Asia. In cooperation with the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Children's Fund (UNICEF), it supports Rohingya refugees in Myanmar and Bangladesh as well as internally displaced persons in Afghanistan and Afghan refugees in neighbouring countries. In Bangladesh, the BMZ and the International Labour



Organizations are supporting efforts to establish a system of accident insurance for people working in the textiles and leather goods industry.

Multilateral development banks are important partners in Asia when it comes to funding and providing expert advice. The BMZ works with the Asian Development Bank and the World Bank on large-volume development and infrastructure projects. In the current geopolitical situation, but also in view of the limited financial resources available, it is important to stand shoulder-to-shoulder with like-minded partners. Other donors from the region are very keen to cooperate with a view to shared interests. In addition, the BMZ is involved to a substantial degree in key multilateral funds for the protection of global public goods, such as the Green Climate Fund (GCF), the Global Environment Facility (GEF) and the Climate Investment Funds (CIF).

Future approaches

- Assert development policy positions at international level more closely with like-minded Asian allies in future
- Expand operational cooperation with multilateral development banks:
 - Co-financing of reform-oriented infrastructure projects as well as results-based and policy-based funding approaches (urban development and mobility, basic infrastructure, renewable energy, etc.) to support transformation processes
 - Plurilateral cooperation formats (for example JETP) with vanguard countries
 - Development of social protection systems
- Establish annual development policy consultations on Asia and its sub-regions with development banks

- Establish working relationships with partners who share our values, other donors and innovation partners in Asia
- Step up cooperation under the NDC Partnership, in which many Asian countries are members
- Work together more strategically with and as part of multilateral funds and facilities with a view to their engagement in Asian countries



Cooperation with the Pacific island states

The Pacific islands are home to a variety of both terrestrial and marine ecosystems and species. Whereas the islands' contribution to global warming is only marginal, they are particularly affected by climate change, such as rising sea levels, the impacts of extreme weather events such as tropical storms, and the acidification and warming of the oceans. Support for the Pacific island states from the Federal Ministry for Economic Cooperation and Development is provided largely via multilateral structures and is aimed at successfully meeting the challenges posed by climate change. Despite the vast distances between the island states, this pooling of forces is proving effec-

tive in expanding renewable energy, protecting endangered ecosystems and promoting adaptation strategies for the hardest-hit countries. The Pacific island states are also important allies in international climate negotiations on accelerating the implementation of the Paris climate goals. Furthermore, the BMZ supports the expansion and deepening of the EU-Pacific States Economic Partnership Agreement in an effort to foster sustainable development and regional integration.

Triangular cooperation

Triangular cooperation projects with China, India and Indonesia are also agreed in order to work on shared objectives in third countries and disseminate tried-and-tested approaches for international development cooperation. Triangular cooperation plays an important role in building global strategic partnerships for sustainable development, with careful consideration given at all times to the benefits and risks of the cooperation.





Non-state and municipal partnerships

The BMZ supports the grassroots work of civil society actors, including political foundations and the German churches' development agencies together with their local partners in Asia. In both Germany and Asia, civil society takes the pulse of social problems and is a champion of sustainable development. Non-state actors' local contacts enable them to strengthen local voices and facilitate a networked approach to addressing global issues. The same is true of municipalities. That is why the BMZ supports towns and municipalities via Engagement Global's Service Agency Communities in One World in forging municipal partnerships.

Future approaches

- Protect and broaden the scope for civil society organisations to take action
- Expand participation and cooperation with local (feminist) civil society
- Remove administrative obstacles to civil society engagement
- Support projects by civil society organisations and stakeholders
 - on political and societal participation and involvement in decision-making
 - on promoting gender-transformative approaches and human rights
 - on civilian conflict management (prevention, conflict transformation and peacebuilding)
 - on just transition, biodiversity and the impacts of climate change
- Strengthen municipal partnerships for global sustainable development

The project by the Friedrich-Ebert-Stiftung entitled **“Navigating the New Geopolitics of Asia and Global Order of Tomorrow”** works with stakeholders from partner countries to create a platform for unpacking strategies on how to manage geopolitical uncertainties. The project places an emphasis on developing countries and transition countries in the region. The FES Asia Strategic Foresight Group brings together renowned experts from 20 countries.



Cooperation with the private sector

The multiple crises of recent years have triggered a wave of uncertainty among private sector actors. Resurgent economic growth, a rapidly growing middle class and excellent links to global markets and transport routes underline the enormous potential and resilience of Asian markets. For German and European companies, Asia is a key trading partner with an established market for production, sales and procurement. German expertise and exports are in demand in Asia as they are synonymous with quality, innovation and reliability and also provide climate-neutral products and solutions for industries that are relevant for the future (for renewable energies or in the circular economy, for instance).

Future approaches

- Work together to scale up “green” jobs in industries that are relevant for the future
- Remove administrative hurdles to private sector activity
- Build the economic resilience of partner countries through renewable energy expansion, sustainable transport, climate resilient infrastructure, etc.
- Develop sustainable value chains
- Enter into ambitious WTO-compatible EU trade agreements
- Develop innovative instruments to mobilise more private resources for transformation processes



7 Outlook – future challenges and areas for action for German development policy

The ability to respond flexibly to economic and social challenges and partners' needs will continue to be a requirement for German development policy in future. There are already signs that partner countries in Asia wish to play a part in developing and disseminating key technologies (storage technologies), producing green hydrogen and putting in place relevant economic structures, and be actively involved in the areas of digital technologies (digital skills and resilience, data protection, metaverse applications, human rights-based skills), the (further) development of smart cities or in the sustainable transformation of agricultural systems. Tackling overarching challenges, such as reducing dependencies or enhancing the resilience of societies, are likely to remain key tasks. In addition, the training of experts who help shape transformation in Asia or in the globalised world will become increasingly important. This is also a fundamental building block for a fair system of labour migration, designed in conjunction with partner countries, which can contribute to development in the countries of origin too.

In times of limited public funding and competing needs, innovative approaches to the mobilisation of (additional) financial resources must be found and partnership-based approaches reinforced. A deepening of regional and multilateral cooperation with existing as well as new partners in Asia takes on particular importance in this context.

One cross-cutting challenge with which German development policy will need to grapple in future across a range of different contexts will be how it differentiates from and positions itself to China as a global actor, as well as how it identifies potential for cooperation with the country.

Specifically promoting forms of bidirectional cooperation – in other words mutual and shared learning between Germany, the EU and Asia, as well as within the region – will also be important in future. Opportunities to do this are presented by the fact that different parts of Asia are at different stages of development. A promising basis for mutual and shared learning can already be found in some areas of cooperation (partnerships with vocational training institutions and universities, business networks and the promotion of start-up hubs and twinning arrangements). In this context, South-South and triangular cooperation also provide a promising framework for working together in pursuit of shared development goals, not only within Asia but globally too.

This strategy is the result of an extensive consultation process. It also serves as the starting point for subsequent discussions with bilateral, non-state, multilateral and international partners in and on Asia, and provides input for these talks. After all, a successful development policy can only be achieved through a process of ongoing and critical exchange.

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