



# Bilateral Climate and Development Partnerships

## Partnership with the Western Balkans for more ambitious climate action

### Concept

A consistent and ambitious climate foreign policy is a key priority for the German government. Together with developing countries and emerging economies, Germany is working on achieving the goals of the Paris Agreement, which are aimed at limiting the rise in global temperature to 1.5 degrees Celsius. The ambition of the cooperation focuses on both mitigation and adaptation.

The German government has forged bilateral Climate and Development Partnerships with a number of its development cooperation partner countries. They are countries that are both ambitious and reform-oriented and that play an important role in climate policy. The partnerships support these countries in implementing their national climate goals and adapting to climate change. In doing so, the partnerships combine climate goals with social and economic development in line with the Sustainable Development Goals (SDGs).

The partnerships' central goal is to ensure that the transformation necessary for achieving the climate goals is socially just ("just transition"). That is a challenge that involves the whole of society, which is why bilateral Climate and Development Partnerships go beyond cooperating only with governments but also involve civil society, trade unions, the private sector and science and academia. Whilst the partnerships are designed as bilateral partnerships, they are however open to contributions from other bilateral and multilateral donors.

### Design

The partnerships are designed to be long term and the governments involved agree on quantifiable goals. They build on the partner countries' nationally determined contributions (NDCs), adaptation strategies (e.g. national adaptation plans) and long-term strategies, as well as the SDGs and national sustainability strategies. They also support the partner countries in engaging in international climate alliances and initiatives.

### Finance

In addition to its bilateral development cooperation funds, every year the Federal Ministry for Economic Cooperation and Development (BMZ) supports promising adaptation and mitigation projects using funds from the "P+ Facility", as a financing instrument for this purpose. In 2023, 350 million euros were made available for this facility. Additionally, countries can receive funding from the International Climate Initiative (*Internationale Klimaschutzinitiative*, IKI). Moreover, additional private capital can be mobilised for further projects.

## Objectives

Raising developing countries' and emerging economies' **ambitions** on achieving national resilience and their climate goals  
**Green and socially just transition**

Key elements

**Climate policy dialogue, monitoring and support**

Partnerships are a key element of Germany's climate foreign policy

**Involvement of all stakeholders**

→ Government  
→ Civil society  
→ Private sector  
→ Academia

**Diverse financing instruments**

→ "P+ Facility"  
→ Bilateral resources  
→ Special funds  
→ Further sources

**Mobilising additional donors and resources**

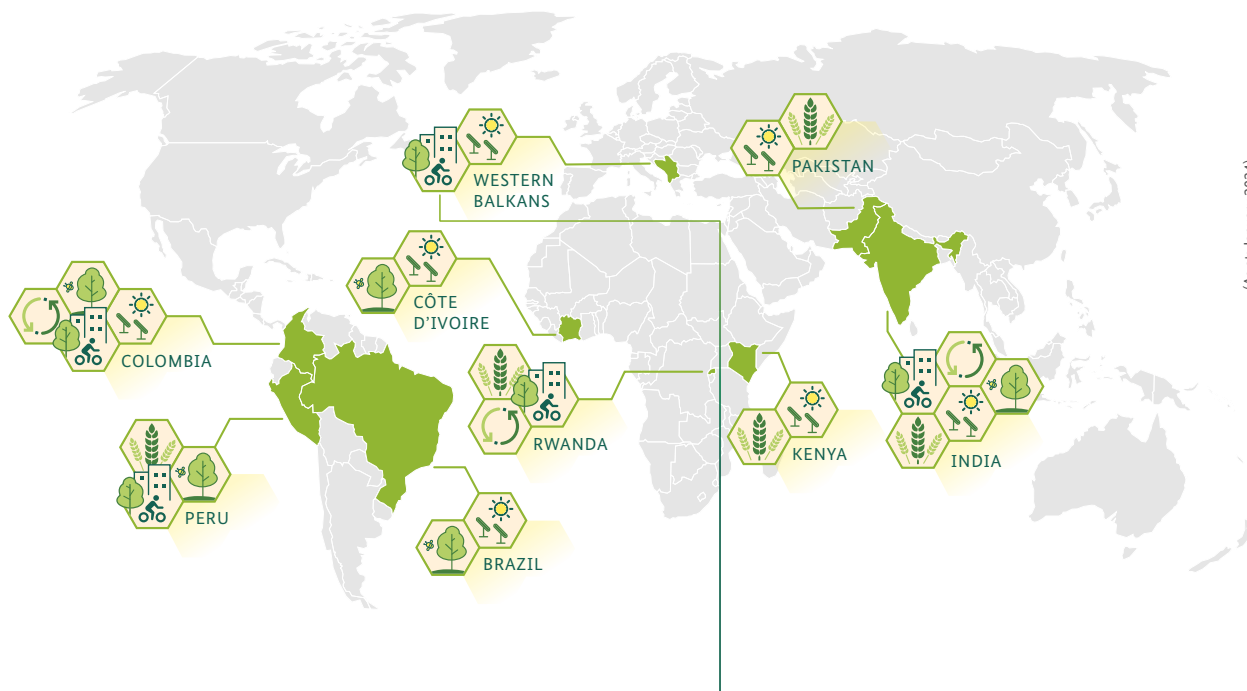
interlocking bilateral and multilateral sources

## Framework

Linking the Paris Agreement (mitigation and adaptation) to the Sustainable Development Goals (SDGs)/2030 Agenda so as to approach **transformation holistically** by supporting mitigation and adaptation measures

## Countries and priorities

Each partnership focuses on climate action as well as country-specific topics. These are selected in partnership. Currently, bilateral Climate and Development Partnerships are in place with eight countries and there is one regional partnership with the Western Balkans (as at January 2024).\* Germany is in talks with further countries on forming a partnership.



(As at January 2024)

## Regional German-Western Balkan climate partnership

Germany and the Western Balkans are working closely together on climate issues, especially in the energy sector. As the region is heavily dependent on fossil fuels, there is a great need to expand renewable energies and improve energy efficiency. Since 2021, Serbia and Germany have been deepening their cooperation towards a climate-friendly future as part of the Strategic Cooperation on Climate Action. At the Western Balkans summit in October 2023, governments decided to expand the cooperation and make it the first regional climate partnership. Federal Chancellor Scholz has pledged a total of 1.5 billion euros to intensify the existing cooperation in the field of climate and energy.

The overarching goal of the climate partnership is to accelerate the implementation of the Green Agenda for the Western Balkans in cooperation with Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia. The BMZ supports the expansion of renewable energies at all levels. Policy-Based Lending (in Albania and Serbia, for example) helps to improve the enabling environment, especially for private investments (for example, through auction mechanisms). Solar and wind energy projects with regional state-owned utilities (in Bosnia and Herzegovina, for example) ensure that the public sector can also participate in the energy transition. Private individuals and companies benefit from German support which promotes photovoltaic systems for private individuals and makes them prosumers (producer and consumer in one person).

The regional climate partnership helps to reduce the impact of the energy crisis on vulnerable sections of society, stabilise the energy sector and reduce dependence on fossil fuels. It also supports regional cohesion and the EU accession process. A particular focus will be on decarbonisation, just transition and the promotion of renewable energy use.

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| <b>Published by</b> | German Federal Ministry for Economic Cooperation and Development (BMZ)<br>Division 422 | <b>Addresses of the BMZ offices</b> | BMZ Berlin<br>Stresemannstraße 94<br>10963 Berlin<br>T +49 (0)30 18 535-0 | BMZ Bonn<br>Dahlmannstraße 4<br>53113 Bonn<br>T +49 (0)228 99 535-0 |
|                     | <b>As at</b>   |                                     | January 2024  | <b>Website</b>  |

\* The bilateral Climate and Development Partnerships have country-specific names that vary for each partnership.