



Federal Ministry
for Economic Cooperation
and Development

BMZ priorities for a strong European and multilateral development policy

“It is indisputable: we need a sense of shared responsibility for the world.”

German Chancellor Angela Merkel at the Global Solutions Summit
in Berlin on 19 March 2019

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Key messages

Humanity is facing **extraordinary global challenges**: climate change, violent conflicts, financial and economic crises, global inequalities, pandemics and migration. We can only develop comprehensive solutions for these issues that determine the fate of humankind by taking concerted action as a global community. Led by this conviction, all states jointly agreed on a new pact for the world's future (the **2030 Agenda**) with its Sustainable Development Goals (SDGs), on the Paris Agreement and the Addis Agenda on financing for sustainable development.

However, the rules-based international order has come under pressure, not least because some countries are increasingly withdrawing from **multilateral responsibilities** and are openly questioning current forms of cooperation. As a result, attention is turning more and more towards Europe and, in particular, **Germany** as the world's **second largest donor of development funding**.

Even though today's multilateral order may not be perfect, without it many of the most pressing problems will remain unresolved. Our response to its shortcomings is not to opt out but to preserve and **reform** the system. To reach this goal, we therefore promote, notably within the European Union, both a rules-based international order and sustainable development.

This paper outlines the central pillars for the multilateral engagement of the Federal Ministry for Economic Cooperation and Development (BMZ).

WHAT ARE OUR GOALS AND HOW DO WE INTEND TO ACHIEVE THEM?

Our multilateral engagement pursues three **main goals**:

- 1) preserving the rules-based global order and making it more just – in particular by aligning it with the 2030 Agenda;
- 2) anchoring our political priorities even more firmly at the multilateral level;
- 3) improving the performance of multilateral organisations by making them more transparent, efficient, effective and coherent.

1 Strengthening the multilateral order and aligning it with the 2030 Agenda

The multilateral order is under threat – yet global challenges such as climate change can only be addressed globally. This is why we intend to strengthen multilateral organisations in specific areas:

The **European Union** is a key actor in important policy areas such as trade (world's largest single market), consumer policy (hundreds of millions of higher income consumers), environmental policy (driving force for climate action) and development policy (EU plus its member states are together the world's largest ODA contributor).

The EU and its member states are vigorous champions of a rules-based international order built upon multilateralism with the United Nations at its core.

As the largest member country and contributor, Germany has both a special responsibility and special opportunities:

→ We are working to ensure that the EU becomes both the international driving force behind and frontrunner in the implementation of the **2030 Agenda**, the Addis Ababa Action Agenda on financing the SDGs and the Paris Agreement. This includes all EU policy areas (in particular trade and investment policy, agriculture, consumer and energy policies) and their alignment with the SDGs.

- We are working to ensure that the EU's new **Multiannual Financial Framework** for the years 2021–2027 is in line with ecologically, economically and socially sustainable development.
- We are committed to ensuring that promoting sustainable development in the context of the 2030 Agenda is at the heart of the new **Neighbourhood, Development and International Cooperation Instrument (NDICI)**. Our aim is to double the funding for Africa and significantly increase funding for climate action.
- **Germany's EU presidency** in 2020 will contribute to a strong, united and forward-looking Europe and highlight selected development policy issues. These include, for instance, cooperation between the EU and Africa, sustainability in global supply chains and digitalisation.
- In **multilateral fora**, we first and foremost coordinate with other European partners, strengthening our positions through EU alignment. In the context of EU Joint Programming we will cooperate closely with the EU and its member states in order to interact coherently with third parties.

The **United Nations** are the central forum to negotiate, implement and further develop internationally accepted norms, standards and agreements such as the 2030 Agenda. In view of increasing global interdependencies it is crucial that this role be resolutely strengthened. The BMZ is therefore increasing its core contributions (i.e. contributions to the institutional budget) to UN organisations we consider particularly important, such as the United Nations Children's Fund (UNICEF) and the United Nations Development Programme (UNDP). The basis for this decision is that they play a crucial role in implementing the 2030 Agenda, perform well and contribute to the reform of the UN. Therewith we increase our own influence, while also improving the agencies' capacity to act. This sends a strong signal of support for the multilateral order and helps these organisations to implement reforms that are critical for the implementation of the 2030 Agenda.

Within the **G7 and the G20** our goal is to ensure that these fora continue to champion issues such as climate action, food security, youth employment and women's empowerment. It is important that the commitments made by these two groups during Germany's presidency are implemented.

From the **multilateral development banks** we expect not only a strong commitment to the 2030 Agenda, but also a significant contribution to its implementation. This is why our contribution to a capital increase of the World Bank, provided together with other shareholders, was subject to its alignment with the 2030 Agenda. The outcome is impressive: In the years 2021–2025 the World Bank will double its funding for climate action to 200 billion US dollars.

We are forging **new coalitions to uphold the multilateral order** together with France and other like-minded countries through, for instance, increased and high-level dialogue. With partners such as the USA we engage in dialogue where our positions or interests differ, while cooperating more closely in areas where we jointly identify potential for cooperation. We intend to contribute to protecting global public goods together with China, also by increasingly engaging in triangular cooperation in this area.

2 Anchoring our political priorities at the multilateral level

We want to **ensure that our political priorities are firmly anchored at the international level**. Areas that are of particular concern to us are climate issues, fair trade relations, education or health – which benefit all countries – and sustainable development in Africa.

That is why we aim at:

- ensuring that multilateral organisations are staunch advocates for **climate protection and adaptation**. Development banks play a key role in these efforts, in particular regarding the mobilisation of the necessary financial means; we are also working to ensure that the EU's upcoming Multiannual Financial Framework for the years 2021–2027 is in line with ecologically, economically and socially sustainable development and that funding for climate action in particular is increased;
- ensuring that fighting hunger and poverty as well as promoting employment helps to reduce the **root causes of displacement**, in particular in fragile environments. Our aim is to ensure that the work of key organisations, such as the UN Development Programme (UNDP) and the World Food Programme (WFP), is more closely aligned with our core interests such as gender and climate issues;
- ensuring that **global trade** is carried out in a fair manner and that the World Trade Organization (WTO) evolves from a free into a fair trade organisation. We therefore advocate fairer WTO regulations with binding environmental and social safeguards. These safeguards need to be mainstreamed into the existing global trade system, notably into free trade agreements. Finally, we aim at supporting our partner countries in their efforts to implement such agreements in a development-friendly manner as well as integrating them more closely into multilateral processes by, for instance, strengthening their negotiating capacities;
- ensuring that facing the challenge of Covid-19 the health sector will receive broader and stronger support. **Health** will be supported in a more targeted and effective manner by utilizing, *inter alia*, multilateral options and structures. **Because global challenges such as the Corona pandemic require global and multilateral answers.**
- ensuring that **basic education** will primarily be supported through multilateral channels, for example through the Global Partnership for Education and the Initiative Education Cannot Wait, in order to increase effectiveness.
- ensuring that **education and training**, which are key areas of Germany's development cooperation, are further strengthened by means of globally successful initiatives, funds and programmes. This includes notably the empowerment of women. We aim to at making better strategic use of German expertise on vocational education and training;
- ensuring that the **Global Compacts on refugees and migration** are built upon through concrete cooperation with multilateral actors aimed at creating local opportunities as well as furthering safe, regular and orderly migration;

- ensuring that **Africa**, which is the most poverty-stricken continent yet a region with tremendous potential for economic growth is given greater multilateral attention. That is why we are striving, in the context of the Marshall Plan and the G20 Compact with Africa (CwA), to ensure that the EU, the United Nations, the World Bank and the African Development Bank focus even more on creating sustainable economic growth and employment opportunities in Africa. For this reason, we signed a Memorandum of Understanding to cooperate more closely with the World Bank and the African Development Bank at the Africa summit convened by the German government in October 2018. We aim to use our positive experience from the Marshall Plan with Africa to shape important processes at the European level, for instance the negotiations regarding the Post-Cotonou-Agreement and the next Multiannual Financial Framework, as well as reinforcing them through an integrated European approach.

3 Enhancing multilateral transparency, efficiency, effectiveness and coherence

Our aim is to achieve greater efficiency and effectiveness in our multilateral engagement and to employ our instruments in an even more strategic manner. That is why we intend to:

- base our funding decisions on the **performance and efficiency** of organisations and their alignment with the 2030 Agenda; in doing so we will also draw on the assessments of the *Multilateral Organisations Performance Assessment Network*;
- increase our strategic engagement with organisations where we have **significant influence** due to the volume of our financial contributions, high-level German staff and/or our voting rights; and focus even more on placing **German staff** in strategically important organisations/positions;
- as a rule, provide our earmarked contributions to multilateral organisations, and in particular the United Nations, by contributing to funds rather than to individual programmes. We can thus reduce transaction costs and increase **coherence**;
- work towards ensuring that all ministries that manage ODA contributions and all organisations with which we cooperate publish their contributions under the International Aid Transparency Initiative. We also want to focus on increased **transparency and effectiveness** in our political dialogue with new donors;
- involve **civil society** even more actively in multilateral processes such as the G7/G20;
- focus our *Funds-in-Trust* title on 1) supporting reforms and global governance; 2) improving the integration of bilateral and multilateral activities and 3) BMZ political priorities.

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