



Federal Ministry  
for Economic Cooperation  
and Development



Partners in  
Transformation  
Business & Development  
Network

# Partners in Transformation

Private sector engagement – programmes and achievements



## OUR MISSION

*Through dynamic partnerships with private sector players, we want to give direction to the social-ecological transformation, fostering value chain development and prosperity in our partner countries.*



*Dear readers,*

Inside the building, it is hot and stuffy as I walk around a factory in Pakistan. Workers are seated behind sewing machines in long rows, making bedding items for the German market. They tell me that their working conditions have significantly improved in the recent past. They are now getting a regular monthly wage, rather than being paid by item. This means they have to do less overtime and can spend more time with their families.

What I saw during my visit to Pakistan in August is true worldwide: decent work changes people's lives. And decent work is the basis for sustainable development. In my meetings with German entrepreneurs who have operations in our partner countries, they tell me that they agree. They highlight how important it is to them to think beyond short-term profits and give attention to social justice, environmental sustainability and equality as they make their investments, because that pays off in the long term. German entrepreneurs are recognising the opportunities offered by responsible corporate activity in emerging markets.

The German Development Ministry has close cooperation with the private sector in order to foster these opportunities and create decent working conditions worldwide. To that end, the BMZ joined forces in September 2023 with companies, business federations, chambers, unions and other business sector players to launch the Partners in Transformation umbrella brand.

The present report shows how much has already been achieved through this endeavour. The targeted measuring of results enables us to see the added value created by the programmes. For example, nearly half of all projects that have been supported place a focus on environment and climate and contribute to the social-ecological transformation. And in 2023 alone, more than 14,000 new jobs were created through investments in our partner countries.

The first Hamburg Sustainability Conference in early October showed that alliances between the official development cooperation sector, the private sector and unions are key to moving forward towards tangible solutions to global challenges. At the Conference, concrete steps were agreed on matters such as increasing the level of private investment in sustainability and implementing socially just structural change.

The present report shows that the transformation requires close partnerships on the basis of mutual trust. We support such partnerships with the private sector through numerous projects under the umbrella of Partners in Transformation.

Svenja Schulze  
Federal Minister for Economic Cooperation  
and Development



**Partners in Transformation**  
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## Partners in Transformation

Since January 2024, the Federal Ministry for Economic Cooperation and Development (BMZ) has brought together its programmes for private sector players under the Partners in Transformation umbrella brand. Seven closely interlinked programmes offer support to the BMZ's partner countries with regard to the social-ecological transformation of their economies.

**Objective.** Strengthen international cooperation between the private sector and the official development cooperation sector, foster sustainable economic growth in the countries of the Global South, jointly tap new markets, and consolidate international economic relations between Germany and its partner countries.

**Idea.** Get the private sector and the Development Ministry to define common goals and bring their respective strengths to the table – for mutual benefit.

**Partners.** Businesses, chambers, federations, trade unions and other business sector players.

### What is new about Partners in Transformation?

✓ **Comprehensive, holistic perspective on the private sector.** We engage with a broad range of private sector actors and have added some new players to that group. We are giving workers a stronger voice by entering into partnerships with trade unions.

✓ **Clear point of contact.** The Agency for Business and Economic Development (AWE) is now the central point of contact for all those who want to join forces with the development cooperation sector to invest in sustainable, fair business models.

✓ **Stronger local partnerships.** We support the social-ecological transformation of the economy in our partner countries by setting up local Partners in Transformation desks. We are starting in East Africa and the Balkan region. In this way, we are moving even closer to our partners' needs.

✓ **Targeted measuring of results.** We have put in place a monitoring and evaluation system that covers all Partners in Transformation programmes. In this way, we measure the development results of our efforts and adjust them, where needed, on the basis of evidence.

✓ **Quality campaign.** The programmes under the Partners in Transformation umbrella are digital, client-centred and closely interlinked in order to make them more effective and further improve the delivery of innovative solutions.

✓ **Efficient coordination.** Together with the Federal Ministry for Economic Affairs and Climate Action (BMWK), we ensure that development cooperation and foreign trade promotion programmes are dovetailed, and we develop joint, coordinated points of contact for private sector actors.

# Measurable achievements and sustainable progress

The Partners in Transformation programmes are delivering development results in our partner countries. This is evident from the figures from our joint monitoring and evaluation system for 2023.

Partners in Transformation is open for private sector actors who want to become active in BMZ partner countries and make their related business operations sustainable. Through the programmes, we bring together the **needs of the private sector** with the **development priorities** of the BMZ.

In 2023, the Partners in Transformation portfolio comprised **550 cooperation projects worldwide** that were either started, ongoing, or completed during that year. In these projects, the BMZ – via its implementing organisations Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and its subsidiary, DEG Impulse; Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); sequa; and German Sparkassenstiftung for International Cooperation (DSIK) – engages in cooperation with institutions of different types and sizes, from farming cooperatives and start-ups to multinational corporations, business federations, chambers, financial institutions, and, more recently, trade unions.

These projects have mobilised nearly half a billion euros in private resources for the achievement of development goals. In our **cooperation projects with enterprises**, each euro in public funding has raised more than one euro in private resources for development cooperation.

# 490

million euros in **mobilised private funding** under ongoing and completed projects



# 53.42%

**Share of private funding** in cooperation projects with enterprises

## Key element: effectiveness

We have set up a comprehensive monitoring and evaluation system for the Partners in Transformation programmes. The system helps us to understand which approaches work, and how. The insights gained enable us to improve the **long-term effectiveness and efficiency** of our programmes. This enhances our ambition. In the future, we will not just count the jobs created through our projects – we will ensure that they are **decent jobs**, with living wages and fair and safe working conditions.

## Employment, vocational training and related ecosystems

Decent work is a fundamental prerequisite for reducing poverty, hunger and unemployment. Through the Partners in Transformation programmes, we are creating decent jobs. And by fostering standards, vocational training and the right ecosystems, we ensure that the jobs will last. This not only benefits local people but also the businesses that are investing, or want to invest, in our partner countries together with us. In the future, we want to provide increased support for skilled labour and trainees who might also work in Germany.

What we jointly achieved in 2023

### Jobs

We are **creating jobs directly** within the local companies that we support, across a broad range of **sectors** and **regions of the world**. Our efforts have also led to the creation of new jobs around these companies, and along supply chains. This **indirect job creation** effect stems from the economic growth generated around our partner companies, and by their improved access to lending and financing.

**14,300**  
direct jobs created in 2023

**55,000**  
indirect jobs created



Not region-specific  
**1,658**

Europe & Central Asia  
**489**

Asia & Pacific  
**1,613**

Latin America & Caribbean  
**29**

Sub-Saharan Africa  
**9,815**

Middle East & North Africa (MENA)  
**705**

Direct jobs created, by region



### Social and environmental standards

**Standards** for goods and services with regard to production, shipment and trade protect people on the supply side and create confidence among consumers. Standards improve the **quality** of exported goods, ensure that **fair wages** are paid, and foster better and **safe working conditions**.

# 87,000



people now have **better working conditions**, for instance through higher incomes and better occupational health and safety

# 8,700



companies and suppliers have enhanced their **social and environmental standards** beyond what is required by local law

### Business organisations and vocational training

Chambers, business federations, trade unions and financial institutions play an important role in the economy. They **represent the interests** of their members, create **vocational training programmes** and offer numerous **services** to their members and partners. Support for them helps to build people's confidence in the economy and in the private sector, and facilitates **investment**.

# 1,600



enterprises are involved in vocational training efforts and make contributions towards needs-aligned **training** in partner countries

# 38%

was the average increase in the number of **paying members** for those local **chambers** and **associations** which the BMZ has been supporting with regard to organisational development and improved services

The figures on pages 3-7 relate to the ongoing Partners in Transformation portfolio from 1 January to 31 December 2023. Effective that year, methodological changes were made to the definition of indicators. Meaningful comparisons between 2023 and previous years are therefore not possible. All figures have been rounded.

Beyond the Partners in Transformation portfolio, the BMZ has been contributing to the generation of jobs and other results through its global and bilateral programmes and regional endeavours such as the Special Initiative "Decent Work for a Just Transition".

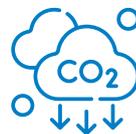
Partners in Transformation – in practice

## Just transition

Supporting the social-ecological transformation of economic systems is the overarching goal of the Partners in Transformation programmes. Private sector solutions are one key element for making headway on climate action and sustainable economic development and simultaneously achieving social progress.

# 45%

of all global cooperation projects under Partners in Transformation in 2023 (**250 projects**) focused on **environment and climate**.



# 66

projects contributed to the **mitigation of carbon emissions**

Enterprises **drive technology forward**. So they play an important role for the development of green infrastructure and the promotion of clean energy.

- In the Philippines, we engage with pump manufacturer Grundfos to foster efficient, stand-alone agricultural irrigation systems.
- Working with Rösterei Vier, a coffee roaster based in Düsseldorf, Germany, we are improving the income situation of at least 300 smallholders in the coffee supply chain in Malawi, and reducing carbon emissions.
- Together with pump manufacturer Wilo, we are engaged in training programmes for skilled workers in Mongolia with the goal of saving energy through more efficient heating systems.
- In the Dominican Republic, we are working with Iberostar, a tour operator, to reconcile coastal protection, biodiversity restoration, and tourism.



### Project example – sustainable production of packaging in West Africa

**Local production.** Establishment of a local production facility for corrugated cardboard in Senegal to reduce imports of packaging material from Europe.

**Financial support.** Using an ImpactConnect loan, Klinglele Paper and Packaging Group built a factory.

**Environmentally friendly energy.** A photovoltaic system provides renewable electricity for the production facility, reducing CO<sub>2</sub> emissions.

**New jobs.** Locally, 35 decent jobs have been created.

**Forward-looking expansion.** The project has been a success. Klinglele Group plans to expand production in the region, thus lending further momentum to economic development.

## Partners in Transformation – in practice

## Gender equality

The German Development Ministry has made gender equality a key part of development policy because this is a goal in its own right. But in addition, gender equality offers huge potential for generating prosperity.

The **economic empowerment** of women plays a key role in the Partners in Transformation programmes. Targeted efforts to implement a feminist development policy lead to positive social and economic impacts.

- Societies can rely on a much bigger pool of talent and labour for economic development. We work with Banco FIE in Bolivia to foster the economic and social participation of women in micro and small enterprises.
- Companies with a higher share of women in their top management have been shown to be more efficient. In cooperation with Ladiesfund, a solar company, we are working to empower women in leadership positions in the renewables sector in Pakistan.
- Improved gender equality leads to better productivity. Together with medical equipment company Elekta Ltd., we are active in Viet Nam to improve radiation therapy for cervical cancer. In addition to improving healthcare for women, these efforts also strengthen women's social and economic participation.



of all global cooperation projects under Partners in Transformation in 2023 (**77 projects**) focused on **gender equality**. Since 2024, gender equality has been one of the three key objectives of Partners in Transformation. The BMZ is planning to significantly increase the share of projects that focus on gender equality.



### Project example – business development and violence prevention in Ecuador

**Challenges for women-led businesses.** When women in Ecuador experience violence, it obviously harms them physically and emotionally, but for women entrepreneurs it may also mean that they can no longer meet payments or have to close their business.

**Support for women entrepreneurs.** In cooperation with Banco ProCredit, a develoPPP project provides support to 5,000 Ecuadorian businesswomen. The purpose of the project is to strengthen their economic independence and protect them from violence.

**Training and sensitisation campaigns.** The women entrepreneurs take part in training on finance, marketing and sustainability. The training also deals with how to prevent violence within their businesses and in their private lives.

**Economic development.** The combination of business development and violence prevention fosters the development of sustainable, growing companies that are free from violence against women.



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# Programmes under the Partners in Transformation umbrella brand

## Agency for Business and Economic Development (AWE)

AWE is the central point of contact for German and European enterprises that want to engage in cooperation with the development cooperation sector.

- AWE provides information about the entire range of programmes under Partners in Transformation and offers tailored advice to foster the social-ecological transformation in countries in the Global South.
- At present, the Agency has more than 60 experts working in German business associations, chambers and trade unions within Germany and abroad.
- In 2023, AWE provided advice in about 2,500 instances (including through the Helpdesk on Business and Human Rights).

<https://wirtschaft-entwicklung.de/en>



### **Project example – mentoring programme**

Quissal is an Arab-German mentoring programme that fosters mutual learning and intercultural exchange by forming tandems of young and experienced businesswomen. It was launched by the Euro-Mediterranean-Arab Association (EMA e.V., a registered association under German law) and is supported by BMZ funding via AWE.

## Helpdesk on Business and Human Rights

The Helpdesk provides free, individual and confidential advice on human rights due diligence processes.

- It assists enterprises in making their value chains environmentally and socially sound.
- It offers confidential initial advice, tailored training, events and online tools.
- In 2023, the Helpdesk provided advice in 1,264 instances, an increase of 19 per cent over the level of requests received in 2022.

<https://wirtschaft-entwicklung.de/en/helpdesk-on-business-human-rights>



### **Project example – advice on due diligence obligations**

A plant oil producer and B2B reseller sources raw materials from high-risk countries and needs assistance for its due diligence processes in the context of the German due diligence act. The Helpdesk is providing initial advice and training.

## develoPPP

The develoPPP support programme targets German, European and local companies that want to make sustainable investments in a developing country or emerging economy and to expand their operations on the ground.

- The programme has two instruments, develoPPP Classic and develoPPP Ventures. This enables it to offer tailor-made support for small, medium-sized and large enterprises and for emerging start-ups.
- Worldwide, develoPPP has so far supported over 2,700 successful development partnerships with businesses.

<https://www.developpp.de/en/>



### Project example – water supply

In Ukraine, the Berlin-based Boreal Light company is involved in the water supply. It is operating five solar-powered desalination plants, saving 4,000 kilogrammes of CO<sub>2</sub> emissions a day. This is providing drinking water for 460,000 people.

## ImpactConnect

The ImpactConnect (formerly AfricaConnect) programme is active in all partner countries of the BMZ (except China). It provides lending at attractive terms to German and European companies for investments that have a development impact.

- ImpactConnect loan terms range from three to seven years.
- The loans are between 750,000 and 5 million euros (usually unsecured).
- ImpactConnect focuses on four social-ecological priorities, including the economic empowerment of women and better jobs. If companies are particularly active on these priorities, they can borrow at reduced interest rates.

<https://wirtschaft-entwicklung.de/en/partners-in-transformation/impactconnect-attractive-conditions-for-loans>



### Project example – production financing

Limhua, a Kenyan-German enterprise, is engaged in organic farming of macadamia nuts and avocados in four sites at the foothills of Mount Kenya. Thanks to financing from ImpactConnect, it was able to expand production. The company now markets the produce harvested by about 7,000 local farmers and smallholders.



## Import Promotion Desk (IPD)

The Import Promotion Desk gives producers and service providers from 21 partner countries access to the EU market and assists them with establishing sustainable trading relations.

- Since 2012, IPD has successfully assisted over 600 companies in their export activities.
- These companies have generated over 800 million euros in additional turnover from exports to Europe.
- IPD has also provided training to about 1,200 staff members of export promotion agencies in partner countries.

<https://www.importpromotiondesk.de/en/>



### Project example – cooperation on exports and imports

With support from IPD, Kenyan cut flowers producer Mount Kenya Sprouts significantly increased its presence on the European market, including through the shipment of curated flower bouquets to Europe. Since the start of the cooperation endeavour, Mount Kenya Sprouts has been able to increase its direct sales by about 85 per cent, double the number of jobs, and significantly expand its range of products.

## Chambers and Associations

Through the Chambers and Association programme, the BMZ supports business associations in partner countries with regard to matters such as organisational development and training on financial inclusion.

- Chambers, associations, trade unions and financial institutions from the Sparkassen-Finanzgruppe (Savings Banks Financial Group) provide support for introducing and raising environmental and social standards, and in the field of vocational training.
- In collaboration with their partners, they develop new and sustainable services and work to improve vocational training and financial literacy.

<https://wirtschaft-entwicklung.de/en/promotion-and-financing/german-associations-and-chambers>



### Project example – business associations

Through a joint project run by the education agency of Bavarian business and by Egyptian organic farming associations, the associations were able to more than quadruple the area of land certified for organic farming, or pending certification, from 3,000 to 12,800 hectares. The number of their members increased sixfold, from about 1,000 to nearly 6,000.

## Up-Scaling

Up-Scaling supports innovative, developmentally relevant business models of young small and medium-sized enterprises through grants that are repayable upon success.

- The maximum grant amount is 749,000 euros, and the grant must not exceed 50 per cent of the envisaged investment volume.
- The focus is on GreenTech and FinTech enterprises.

<https://wirtschaft-entwicklung.de/en/partners-in-transformation/up-scaling>



### Project example – electric buses

In Kenya and Rwanda, the Up-Scaling programme provides funding for BasiGo, a start-up for electric buses that was founded in 2021. The company wants to revolutionise public transport by leasing electric buses to transport operators. The start-up enterprise has set itself the target of bringing 1,000 electric buses, along with the requisite charging infrastructure, to the roads by 2026.

## Hamburg Sustainability Conference

The Hamburg Sustainability Conference (HSC) provides a forum for leaders from politics, the private sector, academia and civil society to define practical actions for achieving the Sustainable Development Goals (SDGs). The conference is intended to facilitate an exchange on structural issues, based on mutual trust and a new spirit of partnership, between decision-makers from the Global South and the Global North. The conference was initiated by the BMZ together with the United Nations Development Programme (UNDP), the Michael Otto Foundation and the Free and Hanseatic City of Hamburg.

The first HSC, which took place on 7 and 8 October 2024, brought some 1,600 international participants from 102 countries to Hamburg. The conference presented scalable solutions and launched new global initiatives, such as the Hamburg Sustainability Platform, which is geared towards developing a standardised approach to risk mitigation for sustainable investment projects (in areas such as wind power, nature conservation and entrepreneurship) in Africa, Asia and Latin America. Looking ahead to the next conferences, efforts are under way continuously to establish further alliances and global solutions.

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