



Federal Ministry
for Economic Cooperation
and Development



SHAPING THE FUTURE TOGETHER GLOBALLY

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Foreword

by Development Minister Reem Alabali Radovan

The world is undergoing profound change. The international order is becoming increasingly multipolar, geopolitical tensions are growing, old certainties have fallen away. The situation is aggravated by war, crises and cross-border challenges like climate change, hunger, poverty and growing inequality. A strong development policy is one vital element of our response to this uncertainty. It is an expression of international solidarity and the firm belief that politics can bring real improvements to people's lives. Development policy focuses on situations where poverty, hunger and hopelessness have come to dominate everyday life. It reduces inequality, creates opportunities and is part of conflict prevention efforts. This makes development policy an integral part of German security policy, operating in tandem with foreign and defence policy. At the same time, it is an expression of responsibility to current and future generations.

For me, there can be no doubt that Germany's future – our peace, security and prosperity – hinges on our relations and partnerships with the Global South. International solidarity is not an ethical luxury. It is a strategic imperative.

At the same time, international cooperation is also undergoing massive upheaval. Our partners are becoming more assertive, they are more forthright in voicing their own interests, and they expect more equality and respect. The countries of the Global South quite justifiably expect from us true cooperation – not charity, not preaching, not dependency, but joint solutions. Recognising this reality and taking it seriously is the crucial first step towards credible policymaking.

An important point for me is the focus on leaving no one behind. Development policy targets first and foremost those who are hardest hit by poverty, marginalisation and crisis. It builds peace and offers a response to the climate crisis. Where people are living with weak state structures, growing inequality and little voice, civil society can often open up vital space for participation, justice and social stability. This is where international solidarity can play an effective role. The 2030 Agenda for Sustainable Development provides a clear

frame of reference for these efforts, and we remain committed to the Agenda's ambitions.

Now, more than ever, we need to clearly define our strategy for the future. In a world where authoritarian systems wield growing influence and international rules are being increasingly called into question, we will not withdraw. Germany will remain a reliable, value-oriented partner that supports a rules-based international order. In close coordination and solidarity with our European partners, we bring our influence to bear on matters relating to international development and the international order. And we are ready to play a responsible role wherever cooperation achieves more than countries acting in isolation. The United Nations' pledge of peace is still valid and we want to make a visible contribution to strengthening the United Nations, making tangible improvements to people's actual lives. In our development policy, we are guided by our values but also conscious of our interests. Our policy is based on the conviction that sustainable development, stability and international cooperation are in the shared interest of all. It combines social justice with long-term security and economic prospects – not in a short-term, transactional way but based on a spirit of partnership between equals.

For 60 years now, German development policy has been a policy founded on trust. An enormous network of political contacts has been built up with governments but also with social groups like the private sector and civil society. This has allowed institutions to be strengthened and networks of partners created. These partnerships develop over years, sometimes decades. They build trust, survive political change and provide the scope for us to continue working even during times of crisis. This resilient network of relationships based on trust is what makes German development policy unique. And, particularly in these times of global upheaval, that trust is an important strategic resource that we would do well not to squander.

What is more, our bilateral strength is the foundation on which our multilateral efforts are built. Our longstanding partnerships are what give Germany

its credibility in international fora and organisations. We are in a position to actively engage with others in shaping multilateral structures, ensuring that they are capable of reform and focused on finding joint solutions. In the face of a fragmented world order, multilateral cooperation is not an end in itself. It is the space where the trust established bilaterally is translated into global rules, common standards and an ability to take collective action.

The current strategic overhaul of German development policy also involves changing the form our cooperation takes. With emerging economies, we will evolve our partnerships with the aim of centring cooperation more on ownership, economic performance and shared interests. In this instance, development policy does not mean less engagement. It means a different sharing of responsibilities, with clear expectations regarding effectiveness, transparency and being able to rely on each other in a changing world.

Our clear focus will be on those regions facing the greatest challenges, where particularly large numbers of people are living in poverty, in fragile contexts or in places recovering from crisis or conflict. Unless those people are offered opportunities, they are vulnerable to insecurity, violence and disenfranchisement. When people flee their homes, it is often in reaction to a lack of opportunities, the destruction of their livelihoods and shattered hopes. That is why development policy focuses on the places where people want to remain; they want to be able to see a future there for themselves and their families.

This reform reflects my strong belief that we need to make development policy more strategic, more focused and more partnership-based. Not because international solidarity has become any less important than before. But rather because that solidarity, more than ever before, needs a clear strategy. We cannot do everything all at once. But we can make a difference in situations where our work has a lasting impact and opens up real opportunities. The reforms also address the institutional framework and are embedded within it. They will address structures, governance



mechanisms and prioritisation. This will lay the groundwork that will allow us to operate effectively over the long term.

And so this reform will focus German development policy on clear targets. Those targets relate to the major challenges of our times and serve to focus our efforts on what will make a lasting difference: ending poverty, hunger and inequality; strengthening the resilience and stability of societies; sustainable economic development as the basis for participation; strong multilateral systems. These are not ends in themselves. They reflect a specific political ambition: taking on responsibility and achieving an impact.

When we look ahead to the next ten years, we see a world with even more shifts in power, more competition and growing global risks. In a world like this, the only way international cooperation can function is through trust, reliability and respect. Cooperation between equals – strategic, focused and partnership-oriented – is the key.

I see this time of radical change not just as a challenge but as an opportunity. The opportunity to reset development policy, strengthen Germany's role and make international solidarity strong for the future. That is how we see ourselves and that is what the reform aims to achieve. It is about creating a development policy that takes on responsibility, strengthens partnerships and is actively involved in shaping Germany's role in the world.

*Reem Alabali Radovan
Federal Minister for Economic Cooperation
and Development*

1. Rethinking development policy for the future – a policy based on cooperation

Reforming development policy in response to a changed world order

The international order is undergoing fundamental change. The political, economic and social balance of power is shifting. Countries that were, for decades, seen as recipients of international support are increasingly asserting themselves as independent players in global markets and in security policy spaces. **Politically and geostrategically, countries of the Global South are gaining in importance.** With the changed global role of the US, the rise of China and the assertion by the BRICS countries (Brazil, Russia, India, China and South Africa) of their claim to greater influence, **new centres of power and alliances** are emerging.

Germany's role in the world is founded mainly on its cooperative approach and its championing of global solidarity. As a major global player and a large economy, Germany is engaged in making international cooperation equitable. It does this out of moral conviction, but also in an awareness of German interests. Partnerships with the countries of the Global South are, after all, also crucial for Germany in economic terms. These countries provide a market for German goods, they are centres of investment and they are also suppliers of raw materials, goods and services. These partnerships serve German interests and, at the same time, support sustainable economic development in the partner countries themselves. **Protectionism, tariffs and a trend towards unilateralism,** however, are currently hampering international trade and standing in the way of global cooperation that is based on mutual benefit and shared values. Global crises, geopolitical tensions and the impact on the whole world of Russia's war of aggression against Ukraine are leading to greater vulnerability. Germany's future political influence and prosperity will depend

crucially on whether it succeeds in forging and advancing lasting political and economic relationships with its partners in the Global South.

As can be seen, the international order is more fragmented and unstable than before and marked by greater competition. What that means for Germany is that stability, resilience and reliable partnerships determine more than ever before what it can do in security policy terms, how its economy will develop and its global credibility. And so **German development policy is at a turning point in terms of its strategic direction.**

That is why a root-and-branch reform of German development policy was needed, reformulating it as a **strategically focused, reliable and credible policy of cooperation.** Development policy strengthens Germany's relations with countries in the Global South and the European neighbourhood. It boosts influence and safeguards Germany's interest in peace, stability, a rules-based global order and a stable economic environment. The German Federal Ministry for Economic Cooperation and Development (BMZ) is therefore very consciously using its policy of cooperation as a geopolitical instrument.

As the world's **largest bilateral donor,** Germany plays an **important role internationally in framing the response to global challenges.** The political, economic and civil society relationships that have been built up through many years of bilateral cooperation and in multilateral organisations will be used more strategically to strengthen global alliances and, together with partners like the European Union, the multilateral development banks and the United Nations, work towards more stability and prosperity. Modern development policy embodies long-term reliability and continuity, and is a central element of Germany's soft power in the Global South.

Germany has a **decisive advantage over other international players**. What makes it **globally unique** in its bilateral development cooperation is its strong presence within its partner countries; this presence is assured mainly by its implementing organisations Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and KfW but also civil society players, church agencies and political foundations. For over six decades, the BMZ has been working directly and closely with partner countries in the Global South. These are not short-term relationships – they are not reactive, not single-focus. Rather, they have grown and evolved over time. They have a sound political foundation and are the **basis for Germany’s soft power** globally.

The investments made in development cooperation and the international efforts made over the years have resulted in some substantial progress. Many development aims have been achieved. The number of people living in extreme poverty, for example, fell between 1990 and 2025 from 2.3 billion to 831 million. And many countries of the Global South have seen the growth of a substantial middle class. Thanks to vaccination programmes and other measures in the health sector, under-five mortality has been more than halved since 1990. International malaria programmes have been instrumental in preventing over two billion cases of malaria worldwide since 2000 and over 12 million fatalities. Work on education has also shown results. More girls are in school than ever before. This also boosts their employment prospects. Over the past few decades, international development cooperation has also brought the world closer together. Joint institutions have been established and long-term partnerships forged.

But the geopolitical changes of recent times – and before that the COVID-19 pandemic – have undermined the foundations of precisely those achievements. And despite all the progress made to date, there is no mistaking the fact that sustainable global development is still very far from reach. So development policy does work – but given the changing global challenges, it will require sustained efforts for a long time to come. Development policy must therefore be capable of responding to the changes in the world and recalibrating accordingly.

This reform therefore marks the start of a new phase in German development policy that pursues a particular political direction, adopts clear priorities and defines shared interests together with partners. It forms an integral part of the **German government’s**

coordinated development, foreign and security policy approach. In its development policy, Germany will remain a reliable partner in a changing world, laying the foundations for security, prosperity and responsibility in the 21st century.

German development policy: guiding principles and understanding of our role

German development policy is a strategic investment in the future. It combines the principles of peace, freedom and global justice with a values-based approach and seeks to achieve a fair balance of interests with its partner countries. At the centre of German development policy are people, their dignity and the protection of their livelihoods.

At a time in which countries are increasingly focusing on their own agendas, German development policy is clearly committed to multilateralism and a rules-based order. The **UN Pact for the Future, the 2030 Agenda for Sustainable Development and the Paris Agreement** are the key points of reference for a sustainable global development policy.

German development policy is guided by a clear **compass**: human rights, equality, justice and solidarity set the coordinates for a globally responsible development policy. It is human rights that are the universal foundation for a life of freedom, dignity and equality. Those rights guarantee that each and every person is able to participate in political, economic, social and cultural life.

German development policy will remain a feminist policy. It champions the rights of women and girls and marginalised sections of the population, their equal access to resources and equal representation; these efforts extend to the international level. Women, girls and marginalised groups are incorporated as key decision-makers and knowledge holders. As agents of change, they make development policy more effective.

Any traces of **coloniality** in German development policy are to be **identified and eliminated**. German development policy focuses on forging equal partnerships that serve the interests of both sides and on amplifying the voices of the Global South at the international level.

Sustainable development is dependent on democratic systems of government, good governance and a strong civil society. That is why the **BMZ reacts rigorously to any autocratic tendencies** emerging in its partner countries in development policy. There are clear political consequences for its cooperation with governments that have lost their legitimacy. When considering how to respond, the main aim is to ensure that the population's basic needs continue to be met for as long as possible.

It is not only government institutions and agencies but also, in large measure, the general public and **civil society organisations** both in Germany and abroad that support and realise development policy. In many places, they are the driving force for change and the ones who mobilise involvement from within society. **Local civil society organisations** have a deep understanding and vital knowledge of the challenges that exist where they are; they are therefore to play a **stronger role in German development cooperation.**

2. Four goals of the BMZ – a sharper focus and clearer profile

Four overarching goals will provide the framework for Germany's official development policy activities. These goals represent a clear commitment to a development policy that is both values-based and guided by interests.

The goals reflect the many dimensions of the development challenges being faced in the BMZ's partner countries and on a global level. The measures and cooperation opportunities derived from these goals can be tailored to the individual needs of partners and are guided by global operational frameworks and initiatives.

GOAL 1 Ending hunger, poverty and inequality; protecting the rule of law and civic space

Development policy challenges

Everyone has the right to a life in dignity. Despite the efforts of many years, however, and as a result of multiple crises, **one in ten people worldwide still lives in absolute poverty**. The gap between rich and poor is widening in many countries. Poverty is a **violation of human rights**. It prevents people from fulfilling their potential, both on a personal level and within society. High levels of inequality weaken social cohesion, undermine democracy, drive conflict, feed corruption and instability, and impede economic growth.

The **challenges** associated with poverty, hunger and inequality are many and varied. Two billion people around the world still lack access to clean drinking water, and 3.6 billion have no adequate sanitation facilities. Inadequate water supply and sanitation facilities compromise food security and increase the risk of disease. There is also a strong link between water, climate change and fragility. In regions with limited

water resources, such as the Middle East, climate change is making the situation worse. Almost all of the countries in the MENA region already suffer from acute water scarcity. Drought, soil salinisation and extreme weather events make it harder to use agricultural land and can fan the flames of fragile situations. Where water scarcity is coupled with weak structures, water crises can jeopardise stability and peace.

Food availability is another major development challenge. Approximately 2.4 billion people do not have regular access to food. This not only has serious health implications for the individual but also has a huge impact on their educational opportunities, and on healthcare and social systems. In addition, more than 250 million children and young people have no access to education – in some countries, one in three children is affected.

Furthermore, human rights, civic spaces and democracy as a societal model are under serious threat as a result of authoritarian tendencies and growing populism worldwide – trends that are being enhanced by disinformation. The world is currently experiencing the largest wave of autocratisation in decades. Around three quarters of the global population lives in some form of autocracy, and this figure is growing continuously. In 117 countries, civic space is limited, suppressed or non-existent. Only about three per cent of the world's population live in states with no restrictions on civil liberties, in which human rights are fully respected and protected. This poses an enormous challenge in terms of growing global inequality.

Development policy responses

Poverty, hunger and inequality are not laws of nature and can be overcome. This is the BMZ's core aim – not only as part of a development policy based on values and solidarity, but also in the interests of Germany. Ending poverty, hunger and inequality addresses the root causes of conflict and terrorism. In doing so, it unites development policy with human rights policy

and security policy. The BMZ holds partner governments accountable when it comes to tackling inequality, ending poverty and hunger, and ensuring the provision of basic necessities.

The BMZ works with partner countries and multilateral organisations to foster equal access to education, to the formal job market, to decent work and to health-care. Good nutrition and sustainable, productive agricultural practices are key to ending hunger. Globally, German development policy plays a leading role in investing in the water sector. This includes funding water and wastewater infrastructure, preserving groundwater, finding technical solutions for reducing water loss, and supporting the implementation of irrigation systems in the agricultural sector. By promoting cross-border water management, German development policy not only contributes significantly to the preservation of water resources and ecosystems, but also to the prevention of violent conflict and to social cohesion in entire regions. Germany's development policy gives special attention to the impact of climate change on water resources and supports partner countries in creating long-term solutions.

The BMZ works to promote democracy and the rule of law and to protect civic space worldwide. Equal, democratic societies governed by the rule of law are crucial to tackling global inequality and building strong, resilient societies. This includes introducing fair tax systems, combating corruption, and taking decisive action if partner countries shift towards autocracy.

German development policy aims to end hunger, poverty and inequality, and to strengthen democracy and the rule of law.

With this goal in view, the following points in particular will be adjusted as part of the BMZ reform:

- **Promoting food security and alleviating hunger:** In future, the BMZ will focus its support for food security on its **partner countries in Africa**. More support will be given to **school meal programmes**

as an effective means of promoting good nutrition and access to education. Bilateral cooperation on food security outside of this focus region will come to an end.

- Ending poverty and hunger will receive more emphasis in the BMZ budget. The **Special Initiative “Transformation of Agricultural and Food Systems”** will be integrated into the regular budget as a permanent budget item. The focus will be on working together with multilateral partners and international initiatives.
- **Improving access to water, water security, water management and irrigation:** The BMZ will increase its engagement in the areas of water, sanitation, hygiene and irrigation as cross-cutting issues. These activities will centre around access to clean water and integrated water resources management. There will be closer cooperation with the private sector in the area of water. Initiatives addressing agricultural irrigation will be expanded, taking an innovative and targeted approach, and will be closely integrated with the topics of food security and climate action (water-climate-food nexus). Cooperation in the area of irrigation will focus on Africa and the Middle East.
- **Education:** The BMZ's work in the area of **basic education** will be carried out via **multilateral** channels. Education Cannot Wait (ECW) and the Global Partnership for Education will be key partners here. When it comes to **higher education and research**, the BMZ will focus its support on programmes run by the German Academic Exchange Service (DAAD) and the Alexander von Humboldt Foundation. Bilateral cooperation in the area of higher education will come to an end.
- **Protecting democracy, the rule of law and civic space:** Major power imbalances and shrinking spaces are key indications of autocratisation and reinforce societal inequalities. **In the face of shrinking spaces, the BMZ will increase its support for civil society engagement** in order to defend human rights, democracy and the rule of law, to promote civic space and to combat disinformation. Establishing a fair tax system and combating corruption and illicit financial flows are also foundational to a resilient democracy. The BMZ will therefore maintain its active engagement.



GOAL 2 Peace and stability – promoting security over the long term

Development policy challenges

German and European security is under greater threat today than it has been since the end of the Cold War. It is in the security interests of both Germany and Europe to also promote human security and the resilience of societies in other countries in order to address crises and prevent conflicts. At the same time, Germany and Europe must be in a position to ensure their own security to a much greater degree. **German development policy will therefore be putting more emphasis on security – without altering the civilian nature of its activities.** A viable German peace and security policy needs to unite three complementary components: effective long-term development policy, military defence and diplomacy. **Prevention is more cost-effective than acute relief in response to a crisis.** The BMZ will put a greater focus on prevention and will take strategic, foresighted action.

According to estimates by the UN Refugee Agency (UNHCR), there were some 120 million forcibly displaced persons worldwide in mid-2025, about half of them internally displaced. Around two thirds of displaced people find refuge in neighbouring countries, many of which have limited resources themselves and cannot ensure that basic needs are met. This leads to resource conflicts and further destabilisation. It also increases the pressure on displaced persons to make dangerous onward journeys. Fragility results from an adverse combination of risks – which often feed into each other – and a lack of resilience, i.e. insufficient resources to address those risks. **Geopolitical shifts have led to growing fragility; regions, countries and people are being impacted by increasing and protracted conflicts.** Two billion people are currently living in fragile contexts. That's a quarter of the world's population – and represents over 70 per cent of those living in extreme poverty (OECD States of Fragility 2025 report).

Development policy responses

German development policy addresses the structural causes of fragility through crisis prevention and conflict management. The aim is to avoid new crises and defuse existing ones. In doing so, it plays a vital role in crisis early warning and strategic foresight. The BMZ engages in recovery and reconstruction efforts, and supports countries and communities in partner regions in hosting displaced persons and meeting their basic needs. German development cooperation aims to create prospects and opportunities for people in their home country.

The BMZ's **ability to combine rapid crisis response measures with long-term recovery and reconstruction efforts** is a distinctive feature of German development cooperation. It does so hand in hand with the EU and international partners like the United Nations, the World Bank and regional development banks, as well as emerging donors. Recovery and reconstruction are seen as tasks for the whole of society, for which the BMZ activates local stakeholders from the spheres of politics, business and civil society, and – as in cases like Syria and Ukraine – members of the diaspora in Germany.

Recovery and reconstruction are preconditions for people returning to their country of origin and for peaceful coexistence among all population groups: in the short term, by meeting the basic needs of the local population; in the medium term, by rebuilding resilient infrastructure; and in the long term, through partnerships based on mutual interest. **Recovery and reconstruction generate economic opportunities for the local population and local businesses, as well as for German companies,** particularly in the areas of construction, infrastructure, technology and services. Training and upskilling programmes often lead to close, long-term connections. Fostering local markets, employment and private investment is a key factor in stability, and should be closely integrated into social reconstruction and peacebuilding processes.

The BMZ is the ministry for recovery and reconstruction. It has many years of experience in bilateral development cooperation, which provides the basis for effective recovery and reconstruction efforts. Recovery and reconstruction require flexible instruments and in-depth knowledge of the local context. They have to combine tangible short-term results with the

dedication necessary to rebuild structures in a way that is long-term sustainable (capacity development). This is in Germany's best interests – for its own security, for its economic relationships, and for the future prospects of those living in crisis regions.

Development policy will thus form a key pillar of Germany's security architecture and of the National Security Council. It is preventive, stabilising and focused on long-term sustainability.

German development policy aims to prevent crises before they occur, to promote human security and to support recovery and reconstruction.

With this goal in view, the following points in particular will be adjusted as part of the BMZ reform:

- The BMZ's work in this area will put a **regional focus** on the European neighbourhood, the Middle East and North Africa (MENA), the Sahel and the Horn of Africa. The BMZ will develop corresponding regional strategies. Its activities in this area in Asia and Latin America will come to an end.
- The topic of displacement and support for host countries will receive more emphasis in the BMZ budget. The **Special Initiative "Displaced Persons and Host Countries"** will be continued and made permanent.
- **Supporting recovery and reconstruction in post-conflict situations:** German development policy will focus on recovery and reconstruction efforts in Syria, Ukraine and, when the situation allows, Gaza. German businesses, civil society and municipalities will be involved in the process via digital platforms and targeted formats (e.g. roundtables).
- The BMZ will **concentrate on tackling the main drivers of refugee movements such as war, armed conflict and violent, forced displacement.** The emphasis will be on supporting refugees, internally displaced persons and host countries.
- **Social protection** is a crucial factor in stabilising crisis regions. In future, the BMZ's investments in social protection will also be channelled towards the focus regions stated above. The Ministry's support for social protection in other regions will come to an end.
- A **new working unit** will be created that **will bring together analysis and strategic foresight (including crisis early warning).** In the medium term, a BMZ analysis hub will provide modern, more up-to-date and more user-friendly analysis and forecasts using digital solutions and artificial intelligence.
- **Streamlining the Ministry's analytical tools:** The BMZ's existing analytical tools are no longer fit for purpose in terms of their rigidity and the effort required for data collection. They will therefore be streamlined.
- The BMZ is working with the Federal Foreign Office (AA), the Federal Ministry of Defence (BMVg) and other interested ministries to push for the **further development of joint ministerial analysis tools and coordinated planning.** A strategic staff exchange with the Federal Foreign Office and the Federal Ministry of Defence will lay the foundations for an ambitious, integrated approach.
- Civil society organisations will continue to play a key role in implementing crisis management measures as part of development policy. Going forward, **the BMZ will work much more closely with local non-governmental organisations (NGOs),** particularly those led by displaced persons. This is in line with the goal of using funding as effectively as possible by investing in initiatives that have strong links to the target group they aim to support

GOAL 3

Facilitating economic cooperation for sustainable and equitable growth

Development policy challenges

Many countries of the Global South face **growing debt, a lack of investment and insufficient employment and income opportunities**. Protectionist tendencies are threatening **international trade and value creation**, and are restricting the political and economic scope in many countries. Without sustainable economic growth and an equitable trading system, however, it will not be possible to close the **wealth and income gap** between and within the countries of the Global South and the Global North, or to achieve the Sustainable Development Goals.

Around 20 per cent of **young people worldwide** are not in employment, education or training. This applies to **twice** as many women as men. At the same time, many countries are suffering from a **shortage of skilled workers**. It is estimated that low- and middle-income countries need **additional investment of 1.5–2.7 trillion US dollars a year** between now and 2030 if sustainability and climate targets are to be reached. But investment is often hindered by **weak government institutions, corruption and political instability**, which in turn impedes sustainable development.

For businesses to grow, invest, create jobs and pay taxes, **effective governance is needed that provides access to infrastructure, financing, support services and legal certainty**. There also needs to be a **tax system** that generates revenue equitably and efficiently and enables sustainable investment.

Many Global South countries also suffer from **major deficits in their basic infrastructure**. Around 700 million people worldwide have no access to **electricity**, for example, and there is insufficient capacity to meet the growing energy demand sustainably and reliably. The **rapid rate of urbanisation** in particular requires modern, sustainable infrastructure to be built and expanded.

In many countries, the commodities sector is a major source of employment, local value creation, export income and government revenue. Resource extraction comes with major **social, environmental and business risks**, however. In addition, many countries of the Global South struggle with limited **economic diversity and a lack of local production**. This cuts off a source of quality jobs and hinders integration into global value chains.

Development policy responses

Economic growth is fundamental to prosperity, social protection and sustainable, peaceful and equitable development. Through its development activities, the BMZ creates the conditions necessary for **pro-development private sector engagement, fair trading relations, local value creation and inclusive growth in its partner countries**. This includes creating decent jobs, providing training and upskilling and financing modern infrastructure, in particular the expansion of renewable energy supply.

As an industrialised country and major exporter, Germany depends on stable partnerships and diversified, resilient supply chains and sales markets. These are areas where developing countries and emerging economies play an increasingly important role. In contrast to the pure promotion of foreign trade, development policy offers **concrete openings for German companies**, leveraging links between **measures with a specifically development policy purpose** – in areas like water, health, urban development, energy and mobility – and economic cooperation. In this way, the BMZ facilitates its partners' transition from “factory” countries or commodity suppliers to **hubs of innovation for key future industries**.

Germany provides support when it comes to **meeting standards and adhering to legal regulations along supply chains**, thereby laying the foundations for sustainable, long-term, equitable trade relations. The key to successful economic cooperation is **integrating economic players, trade unions and other advocacy organisations, and drawing on their expertise** – as generators of new ideas, as suppliers or customers, as producers or service providers.

German development policy aims to facilitate fair and sustainable growth through economic cooperation.

With this goal in view, the following points in particular will be adjusted as part of the BMZ reform:

- The **BMZ Action Plan “Strong partnerships for a sustainable and resilient global economy”** will provide the framework for the Ministry’s economic cooperation activities.
- At the heart of this cooperation will be **dialogue and networks** between economic agents and the political sphere. The BMZ will work to remove structural barriers facing **German and European businesses when it comes to tenders for development cooperation projects**, including tenders by multilateral partners.
- When planning projects, the BMZ will focus more consistently on **potential opportunities for German and European businesses, and will actively involve and collaborate with the private sector to develop specific initiatives**. Emphasis will be put on growth industries and future industries such as healthcare, water management, the circular economy, renewable energy, urban development and mobility.
- The BMZ will increase its efforts to promote **sustainable economic development and local value creation** via targeted support for business ecosystems. It will offer partner countries specific assistance in **implementing and observing human rights standards, and social and environmental standards**. This will boost their competitiveness and resilience, improve the investment climate and make it easier for German companies to enter the local market.
- **New approach to vocational training:** Establishing **high-quality, practical vocational training programmes** is one of the BMZ’s core competencies. In future, it will take an integrated approach that more closely combines vocational training, the acquisition of skilled workers, decent jobs and private sector development.
- The BMZ will provide more targeted support for the private sector when it comes to leveraging the potential of **fair migration for work or training**. The focus will be on market-based approaches and cooperation with the private sector.
- In the **energy sector**, the BMZ will concentrate on supporting a **socially just energy transition and meeting the growing energy demand sustainably**. The emphasis will be on regional projects aimed at building modern energy systems.
- Measures targeting sustainable mining and **raw materials supply will centre around raw materials that are of critical and strategic importance for the green transformation**. This helps to ensure security of supply, increase domestic revenue and local value creation and establish sustainable supply chains. Bilateral cooperation on non-critical raw materials will come to an end.
- In terms of **trade**, the BMZ will put greater emphasis on regional economic integration and on facilitating trade and investment agreements between the EU and the African, Caribbean and Pacific States.
- Efforts to foster **enabling environments for sustainable business, trade and investment** will be increased. The Compact with Africa (CwA) will be strengthened as a key initiative for improving the investment environment. The BMZ and the Federal Ministry of Finance (BMF) will be jointly responsible for the CwA within the German government.
- The BMZ will expand its **advisory services and the financing and risk mitigation instruments** available for export-oriented companies that are willing to invest. These BMZ instruments will act as a complement to traditional foreign trade promotion. The focus will be on supporting **mid-sized companies and fostering engagement in more high-risk economic contexts**.
- **Digitalisation and AI are considered key factors in the success of sustainable development** and will be integrated into the design and implementation of bilateral projects. There will be a special focus on the digital transformation of the economy and the application of digital technologies.

GOAL 4

Strengthening strategic alliances for global solutions and the multilateral system

Development policy challenges

Overcoming global challenges like **climate change, pandemics and conflicts is vital to the survival of humankind**, and is crucial for prosperity, social justice and security in Germany and around the world. **Countries of the Global South are often particularly heavily impacted by these challenges, for example by the effects of climate change.** No country can tackle those challenges alone. It requires efficient international cooperation and strategic alliances.

Multilateral organisations within the UN system and multilateral development banks are essential in promoting cross-border solutions. However, their legitimacy and capacity to act are being called into question to a greater degree than they have been for many decades, as a consequence of funding cuts and the fact that many countries are focusing on their own national agendas.

In many developing countries, **high levels of public debt pose a further obstacle to development.** Low creditworthiness and the large amounts spent on debt servicing limit the financial scope available for making urgently needed, forward-looking investments in social, economic and environmental development.

Insufficient funding for preventive action – from climate change adaptation to pandemic preparedness, crisis prevention and biodiversity conservation – increases the cost of responding after a crisis.

Development policy responses

Global challenges can only be tackled as an international community based on solidarity. Fostering international cooperation and reinforcing the multilateral development system are thus explicit goals of the BMZ reform process. German development policy is firmly rooted in the EU and in the multilateral system.

If Germany wants to defend its interests effectively on the global stage and contribute to addressing the greatest challenges of our time, strategic partnerships will be more important than ever. This includes ensuring that countries of the **Global South have a much stronger voice within the multilateral system and play a central role in reforming it.**

To advance these goals, the BMZ is establishing a **development policy North-South Commission.** The Commission will play a crucial part in shaping a viable development policy, finding joint solutions to global challenges and discussing an ambitious post-2030 Agenda framework. The **Hamburg Sustainability Conference (HSC)** will serve as a central platform for dialogue with decision-makers from the spheres of politics, business, academia and civil society and from international organisations on the topic of current development challenges.

The BMZ reform lays the **groundwork for strengthening the combined impact of bilateral, European and multilateral development cooperation and, as a consequence, increasing its coherence.** To this end, the BMZ will define its cooperation profile with individual institutions more clearly, for example in terms of thematic and regional priorities. One focus will be on the protection and provision of global public goods such as the climate, biodiversity and health.

The BMZ will advocate for efficient and sustainable debt restructuring under the G20 Common Framework, with private creditors participating on comparable terms – because sustainable debt is a key requirement for successful development policy.

German development policy aims to strengthen the multilateral system, protect global public goods and promote global alliances to tackle cross-border challenges.

With this goal in view, the following points in particular will be adjusted as part of the BMZ reform:

- **An efficient multilateral development system:** The BMZ will push for an ambitious reform of the multilateral development architecture, in particular with regard to the United Nations, the OECD and multilateral development banks. Aims include increasing efficiency and effectiveness, for instance by improving cooperation between multilateral development banks (“MDBs as a system”).
- **Targeted multilateral cooperation and incentive-based support:** The BMZ will focus its cooperation on those multilateral partners (initiatives, funds, organisations) that follow through on reforms (“reform champions”) and that most benefit Germany and the development system. Earmarked contributions are a key steering instrument here. In this context, the BMZ will also consider proportionally increasing its core contributions with the aim of promoting Germany’s development policy interests.
- **Building and expanding strategic alliances:** The BMZ will consolidate its profile as a ministry based on cooperation and partnership; it will focus less on projects and more on strategic alliances. In the current geopolitical context, this development will benefit the whole of the German government – and also the German economy. New alliances, for example with Gulf states and other key partners, will form the basis of new cooperation models within global development policy, and will reinforce Germany’s leading role in the combined approach that brings together development, diplomacy and defence.
- **International financial architecture and sustainable development financing:** The BMZ will continue to champion a fair, fully functioning international financial architecture and the expansion of innovative financing models (“beyond ODA”). The Ministry will draw on the knowledge and experience it has gained from working with development banks, and from the World Bank reform in particular. Special emphasis will be put on leveraging public funds to mobilise private capital, and the BMZ will capitalise here on the potential of KfW and the German Investment and Development Company (DEG).
- **Strategic cooperation with regional organisations:** Regional organisations play an important role in forming global alliances and when it comes to tackling cross-border challenges, such as climate change, pandemics, security issues, regional economic integration and equitable trade policy. The BMZ’s work with regional organisations will centre around these challenges.
- **Strengthening European cooperation:** Wherever possible, the BMZ will make use of the comparative advantages of European initiatives, while upholding the bilateral programming principles of German development cooperation. It will make strategic use of co-financing arrangements with the EU and/or its member states to increase impact and visibility. Donor cooperation between capitals and in partner countries will be expanded, and there will be closer coordination with core European development partners as part of a Team Europe approach. The BMZ will advocate for the EU’s Global Gateway initiatives to be structured in a way that promotes development.
- **Climate and the environment:** All available instruments will continue to be used to address climate issues. The BMZ will continue to pursue the goals of the Paris Agreement, the Global Biodiversity Framework and global forest commitments. It will align its bilateral and multilateral instruments with these goals, mobilise the private sector and implement innovative financing instruments. The BMZ will also push for a reform of the global climate and environmental architecture. In future, it will increasingly prioritise its contributions to climate and environmental funds and platforms according to strategic criteria. In the area of climate and the environment, the BMZ will strive for a clearer division of labour with the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN).

- **Health:** The BMZ will continue its work in this area **primarily at the multilateral level.** It will focus on funds that combat infectious diseases and strengthen health systems (Gavi, Global Fund to Fight AIDS, Tuberculosis and Malaria, Global Polio Eradication Initiative), contribute to pandemic preparedness (Pandemic Fund) and promote the bodily autonomy of women and girls (Global Financing Facility, UNFPA, International Planned Parenthood Federation). The BMZ will play an active role in reforming the **global health architecture**, with the aim of eliminating duplicate structures and making global health provision more effective and more resilient. Bilateral cooperation with individual partner countries in the health sector will come to an end.
- **More effective coordination with other donors, especially the EU and EU member states:** The BMZ will strive for a more strategic division of labour with other donors at the regional and sectoral level. Where appropriate, the Ministry will prioritise cooperation with other actors, and with the EU Commission and EU member states in particular, in order to share costs and increase effectiveness.

3. The BMZ's partner countries and regional profile

The BMZ's partnership model

The BMZ's strength lies in its **diversity of reliable partnerships** across the world – with developing countries, multilateral organisations and alliances, the EU and other donor countries. Through the reform process, this **global partnership model will be reformed and adapted to the new geopolitical challenges**. This will impact in particular how the BMZ works in future with **emerging economies** and **Least Developed Countries (LDCs)**.

The BMZ currently has bilateral cooperation with **65 partner countries**. Those partnerships, and the model of official bilateral development cooperation they are based on, are one of the **strengths of German development policy**. The BMZ aims to **hold onto those partnership and build on them further, resulting in a strong policy of cooperation**. Partnership-based development cooperation that is transparent about Germany's interests while at the same time taking seriously the needs and interests of its partners is at the heart of German development policy and is a basic requirement for sustainability. That is what makes **Germany's approach so fundamentally different to the approach taken by systemic competitors**. Forging lasting, reliable partnerships through development policy is something that benefits all sides – state and government, private sector and society, in Germany and in the partner countries.

It is important to have a flexible approach that allows German development cooperation to be adapted to the context in each specific partner country. Countries' social, political and economic potential and challenges vary widely. With its broad range of available instruments, the BMZ is able to tailor its support to each situation. **The BMZ's model focuses on supporting partner countries in capacity development, coupled with sustainable and fair investment in areas like infrastructure.**

The **BMZ has until now operated a partnership model** that places countries in one of three categories (bilateral partners, global partners, and nexus and peace partners). Given the new challenges that are emerging, that model is too inflexible and will be **discontinued as part of the reform process**. The BMZ will continue its cooperation with **all current partner countries. That cooperation will, however, be adapted to the individual circumstances of each country**. The BMZ will also deviate from the country list when cooperation with countries that are not included on the list does, in fact, serve the stated aims and interests of German development policy. Decisions will be taken on a case-by-case basis.

Cooperation with Least Developed Countries (LDCs)

Of the BMZ's partner countries, 27 are Least Developed Countries (LDCs). These countries face a multitude of **challenges, like poverty, hunger, inequality, conflict and fragility**. Climate change amplifies these challenges. At the same time, many LDCs play an **important role in upholding the multilateral system** and share the key values of German development policy. That makes them **strategic partners for the BMZ**, for example in working together on a rules-based multilateral order or in climate action. These partner countries are also central to **global economic development** and are important partners for the German economy and German business in terms of diversifying supply chains and trade relations.

Working with the group of Least Developed Countries is therefore not only a development policy necessity – it is of vital geopolitical and economic importance. That is why the BMZ is guided in **its cooperation with LDCs by the following principles:**

- **Ending hunger and poverty:** The current **Special Initiative “Transformation of Agricultural and Food Systems”** will be integrated into the regular budget as a permanent budget item. The focus will be on working together with multilateral partners and international initiatives.
- Advancing **partnerships based on shared values to address issues of interest to both sides**, for example UN reform or countering autocratic tendencies.
- **Promoting local added value and economic cooperation**, for example on sustainable supply chains or raw materials partnerships.
- **Amplifying LDCs’ voice on the global stage** and ensuring their involvement in efforts to address the questions determining the world’s future, for example as part of the new development policy North-South Commission.

Overall, the BMZ’s aim is to **substantially strengthen cooperation with LDCs by the end of this legislative term**.

Cooperation with emerging economies

Many of the BMZ’s partner countries have experienced rapid economic growth over recent years and decades. **Brazil, India, Indonesia, Mexico, Peru, South Africa and Vietnam in particular** are among the partner countries that can be included in this group. These rapidly growing economies are integral to the global economy and are often important markets for German and European businesses. They are exporters and play a key role in global value chains. And they are playing an increasingly important role on the political stage and in geostrategic terms. The BMZ attaches clear expectations to its work with emerging economies. Ultimately, many global challenges, such as mitigating climate change and achieving a socially and ecologically just energy transition, can only be tackled successfully and efficiently by working together. This makes cooperation with **emerging economies** vitally important both geostrategically and in terms of development policy.

With these countries, the BMZ’s cooperation is focused on **the provision and protection of the global public goods of climate and the environment** and on **economic cooperation**. Economic cooperation measures will be drawn together in an integrated and, ideally, interministerial approach that takes into account local circumstances in each case. All areas of development cooperation will take economic aspects into consideration. It is not uncommon for emerging economies to also have high levels of social inequality. The BMZ requires emerging economies to be more accountable for ending poverty and inequality within their own population and to shoulder an appropriate share of the burden. **Financial Cooperation with these countries will therefore take the form of repayable loans in future**. Technical Cooperation with emerging economies will continue in the areas of climate and the environment and also in the area of economic cooperation. Partner countries with stronger economies can expect, however, to be required to contribute more towards Technical Cooperation support. The BMZ will review and adapt its current programme of cooperation with emerging economies; **projects that lie outside the two areas mentioned will be properly wound up**. Triangular cooperation will capitalise increasingly on the development expertise these countries have to offer by making it available to other partner countries.

With regard to China, the BMZ stopped treating it as a developing country in 2010. It has been calling on China to take on responsibility as part of the international system and to play its role in resolving global challenges. There are many development challenges that cannot be tackled without China’s involvement. These include, for example, climate change mitigation and support for poorer countries in dealing with climate-related damage or debt restructuring. China is currently one of the biggest lenders in the Global South. The BMZ remains in close dialogue with China on development policy issues, addressing questions that are in Germany’s and Europe’s interest.

The BMZ's regional profile

Africa

Focus continent for German development cooperation

Priority role of Sahel and Horn of Africa in issues of security and stability

Africa remains the focus continent of German development cooperation. The aim is a strategic partnership architecture combining stabilisation, economic transformation, and food and energy security.

By the middle of this century, Africa's population could number around two and a half billion, making it home to one quarter of the world's people. The middle classes are expanding, and with them expectations of economic growth and political participation. The continent is also rich in natural resources. Its renewable energy potential is remarkable, as is its potential for agricultural production. It has vast reserves of strategically important resources and offers growing sales markets. Africa is playing an increasingly important geopolitical role, not least through the African Union.

With the instruments and strategies available to it, the task for German development cooperation is to adequately reflect this varied picture. It is guided by the development goals formulated by the African Union and its member states themselves.

There is a particular focus on the following regions:

- The **Sahel** is the epicentre of Jihadist terrorism. Its countries are affected by forced displacement and irregular migration – as destination countries, transit countries or countries of origin. These developments are fuelled in part by rapid population growth, coupled with a lack of opportunities and weak state structures. Germany has a strong interest in security and sustainable development in the Sahel, not least in order to prevent spillover into the coastal states and North Africa and to reduce instances of secondary displacement, where people make dangerous

onward journeys. This support for security and sustainable development also ensures a good investment climate and access to raw materials in the coastal states. In the core region of the Sahel (Burkina Faso, Mali, Mauritania, Niger, Chad) and the neighbouring coastal states on the Gulf of Guinea, the BMZ will therefore focus its cooperation even more on achieving stability. One aspect of the development policy response is to offer an alternative to strategic rivals and to counter anti-democratic rhetoric.

- The **Horn of Africa** continues to be politically extremely unstable. The region is host to some 27 million refugees and internally displaced persons. Sudan is currently experiencing the world's worst humanitarian crisis. The region is also especially hard hit by climate change. The Horn of Africa is of particular importance to Europe and Germany, firstly because of its strategically significant position on the Red Sea, through which the major shipping route linking Asia and Europe runs, and secondly because of its geographical proximity. The BMZ's engagement in the Horn of Africa (Ethiopia, Somalia, Sudan, South Sudan, Kenya, Djibouti) will therefore be focused even more on stability and economic development. By supporting business, trade, infrastructure, training and jobs, the BMZ contributes to the creation of opportunities, particularly for the large number of young people in the region.

Cooperation with the **African Union (AU) and African regional organisations** is a central component of German development cooperation in Africa. The regional organisations play a key role in stimulating growth on the continent, which sustainably reduces poverty and opens up opportunities for young people. **One key focus of relations with the AU is the realisation of the African Continental Free Trade Area (AfCFTA)**, which plays a major role in strengthening intra-African trade and the process of industrialisation in Africa. The AU and African regional organisations are also major political partners for Germany within Africa, with their clear commitment to a rules-based multilateral order. This is more and more important at a time when the international system is shifting and there are growing autocratic tendencies and attempts to exert outside influence on partner countries. Given the increased activities in Africa of countries like China, Turkey, the Gulf states and Russia, Germany's strategic cooperation with the AU and regional organisations is more important now than ever.

North Africa and the Middle East (MENA)

Special focus on security, economic cooperation, energy, water and reconstruction

The MENA region (Middle East and North Africa) is the European Union's immediate neighbour. In general, the focus in the Middle East and North Africa is on **human security and creating opportunities and a future for young people**. The region is also particularly hard hit by the climate crisis. Already, almost all countries in the MENA region face acute water scarcity. That is why access to clean water and sustainable irrigation will also be a focus.

The **countries of North Africa** are particularly important for Europe and Germany in the areas of **economic cooperation, energy, European security, forced displacement** and irregular migration.

Multiple crises such as violent conflict, forced displacement, water scarcity and high youth unemployment are confronting the Middle East with some considerable challenges. That makes it all the more important to work actively towards **peace in the Middle East**, for example through **Syria's fresh start** following almost 14 years of civil war. The BMZ is supporting Syria in creating a state that guarantees all citizens security, freedom and basic rights and is contributing to **reconstruction** in the country. It is also actively engaged with regard to preparations for the **reconstruction of Gaza**.

Eastern EU Neighbourhood (South-East Europe, Eastern Europe, Southern Caucasus)

Special focus on efforts to move closer to EU, stability and reconstruction

Peace and stability in our direct neighbourhood and a clear commitment to Europe are in Germany and the EU's vital interest; they are also fundamental to Europe's geopolitical resilience. Some important initiatives include energy and climate partnerships and economic cooperation. Another aim in South-East Europe, Eastern Europe and the Caucasus is to act as a counterweight to Russia's influence. Support for **Ukraine** must be reliable and predictable. The BMZ can make a significant contribution to the country's recovery and social cohesion. This is important not just for Ukraine and for the European security architecture but also in very tangible ways for the country's economic and human connections with Germany. Further focuses are administrative reform and anti-corruption.

Latin America

Focusing cooperation on climate, the environment and clean water and on economic cooperation and protecting democracy

Latin America is the **most significant region of the world in terms of protecting biodiversity and forests**. Over 40 per cent of the world's biodiversity is held in Latin America and the Caribbean and 23 per cent of its forests. Protecting global public goods is therefore an important issue in and for the region. Latin America is key to green transformation.

The region also has **enormous economic potential**, with nearly all countries being classified middle-income. Emerging economies like Brazil and Mexico are important partners. Raw materials partnerships, sustainable supply chains and the strengthening of green industries all offer great opportunities. At the same time,

the region has high levels of inequality and in some cases democratic systems are coming under pressure.

Through the reform, there will be a **stronger focusing** of German development cooperation with Latin America and the Caribbean in terms of the **areas** addressed. Bilateral cooperation will centre more around good governance, protecting democracy and sustainable economic cooperation. Through this process of establishing a clearer profile, there will also be an increased focus on climate and the environment in Latin America.

Regional organisations in Latin America will remain important partners for German development cooperation in the region. Cooperation will be focused on regional, transboundary problems and challenges (and also on promoting regional integration).

Asia

Focusing cooperation on climate, the environment and clean water and on economic cooperation and protecting democracy

Asia is a continent with a diversity of social, political and economic contexts. German development cooperation with Asia combines **climate-related and environmental topics with poverty and development issues**. Asia is the world's **most populous continent and one of the strongest regions economically**. Development cooperation with Asia is of vital importance to supply chains and offers great opportunities for cooperation on climate, energy, innovation and raw materials.

Greenhouse gas emissions in Asia are growing faster than the global average – even though per capita emissions are often low. Demand for renewable energies is growing, however, and renewables make up an increasingly large part of the energy mix.

The rising demand for energy and resources, the rapid process of urbanisation, the impacts of climate change and the overexploitation of natural resources are all placing great strain on the environment and causing biodiversity loss. This growing pressure on limited natural resources is also leading to conflict both within and between countries about how these resources are used. Moreover, Asia is a key region in the competition with China as a strategic rival.

Through the process of sharpening its profile, the BMZ will be focusing its bilateral cooperation in Asia on climate, the environment and clean water, economic cooperation and protection of democratic structures.

The BMZ will continue to support **Afghanistan** with projects focused on the community level and not involving direct cooperation with the central government. Projects are aimed at strengthening the resilience of the people and securing their basic needs. Measures in support of women and girls will continue to be a special focus, for example health and education activities, income opportunities and food security programmes.

The BMZ works with two **regional organisations** in Asia: the Association of Southeast Asian Nations (ASEAN) and the Mekong River Commission (MRC). Cooperation focuses on transboundary challenges that cannot be tackled effectively at bilateral level.

4. Modernising the implementation structure for development policy

In addition to carrying out a strategic review of thematic and regional priorities, the German development policy reform also takes a **comprehensive look at procedures, instruments and processes. Increasing efficiency, reducing bureaucracy and complexity, and creating clear structures are all measures that will free up resources – resources that can then be channelled into policymaking and political governance**, despite sinking budgets and mandatory workforce reductions. The consistent application of digital solutions and innovative AI-based tools will play an important role here.

Current geopolitical developments and increasing systemic competition with non-traditional donors represent a challenge for the BMZ's planning processes, allocation procedures and political governance. This calls for **fast, flexible and well-adapted development policy responses**. At the same time, one of the strengths of development policy is its ability to deliver long-term change processes and its predictability and reliability for partners; this must be maintained. This approach will significantly reduce the administrative burden on development policy activities while also honing their strategic direction – meaning less time spent on administrative tasks and more impact driven by political goals.

Strengthening political governance through a new set of goals

The BMZ will strengthen its political and strategic governance of development policy. The Ministry's core strategy documents will be streamlined and adjusted and will also be better aligned with our partners' standpoints. As part of implementing the reform, the BMZ will develop a **new governance model with**

clear targets that provide a framework for implementing the Ministry's political priorities. The principle behind the model will be: as few rules and regulations as possible, as many as necessary.

The aim will be for governance to unite overarching development policy priorities with concrete BMZ targets. In this way, the reform will establish transparency with regard to roles and responsibilities, put decision-making responsibility where there is relevant expertise, and help ensure more delegation of responsibility overall. This will increase the BMZ's efficiency and impact, and help to reduce bureaucracy.

A simplified budget and more politically strategic allocation of funds

The key to successful development policy is the ability to react in a **targeted, tailored and flexible** way to opportunities and demands as they arise.

The BMZ's budget has the **flexibility** necessary to respond to **partners' needs, political prioritisation and shifting environments** using different instruments and various modes and structures of implementation. **Simplifying and standardising how the budget is structured and making clear distinctions between mandates** will increase this flexibility and impact further. **Restructuring and streamlining the processes for financial commitments, project commissioning and implementation** has the potential to significantly increase efficiency and effectiveness, and the flexibility and strategic capacity of German development cooperation.

As part of the reform, instruments will therefore be focused more closely on their core mandates, and budget lines in the BMZ's budget (departmental budget 23) will be further consolidated. **Special Initiatives** will either be brought to an end or will be continued because they are judged to be important for pursuing development policy goals.

The steps in the project commissioning process will be streamlined and bureaucracy reduced. In future, integrated sectoral projects will be commissioned – where possible and depending on the country context. **Technical Cooperation and Financial Cooperation will be planned and implemented in a closely combined approach.** The planning process will be simplified and aligned with priority thematic areas. This will increase flexibility and the ability to respond to shifting contexts and partner requirements. The BMZ wants to ensure it has fast, flexible processes for getting the best minds and ideas behind its projects and making its development cooperation as effective as possible. To this end, it will promote competition in the implementation of Technical Cooperation measures.

The Ministry will likewise strengthen political governance and foster **coherent planning when it comes to multilateral financing and cooperation with non-governmental partners.** In future, multilateral financing will be handled by a central working unit and will pursue political goals in accordance with shared criteria. Where possible, planning processes, procedures and deadlines will be coordinated to enable more coherent and strategic planning. The multilateral financing instrument of Funds-in-Trust will be strengthened to help shape alliances with international players.

Opportunities for strategic dialogue with **civil society partners** will be expanded. Thematic financing will also be expanded to increase development policy coherence. The BMZ will create more opportunities for collaborating with local civil society in the Global South.

Further increasing evidence and impact

Evidence and effectiveness are core principles governing German development policy. Both are gaining in importance in light of enduring global development challenges and shrinking budgets. **Strengthening evidence-based implementation** is a key tool here. Compared with other international players – and bilateral donors in particular – the BMZ has invested heavily in establishing a sound, scientifically grounded knowledge ecosystem for many years. This includes institutions like IDOS (German Institute of Development and Sustainability), DEval (German Institute for Development Evaluation) and GIGA (German Institute for Global and Area Studies). It also encompasses research partnerships with leading economic and social science institutes in Germany, and collaborations with renowned universities and think tanks around the world.

In future, scientific evidence will be applied more systematically to help identify the areas within the BMZ's strategic priorities that offer an appropriate balance between likely impact, economic viability and feasibility of implementation. This will include implementing proven approaches more consistently, and gradually rolling back less effective ones and replacing them with evidence-based alternatives.

Strengthening the evidence base will enable informed political decision-making, however, without limiting the political room for manoeuvre. **Evidence-based development policy is not a departure from values-based and interest-based development policy; it is a tool for implementing it more effectively.**

The BMZ needs a **modern data collection and analysis system**, both for assessing impact and evidence and as a foundation for communicating the success stories of German development cooperation. This system also needs to serve as the basis for governance and allocation processes.

As part of the reform process, the BMZ will create a new service centre for evidence that will work on establishing a more evidence-based system. In addition, GIZ and KfW will be commissioned with introducing

standardised results models and applying them more strategically. The BMZ has also set itself the goal of improving data availability, data management and data quality. Long-term, a digital management system in line with the German government's IT modernisation agenda will serve as a basis for allocation decisions and for information on current country portfolios, instruments, topic areas and results reports.

Strengthening strategic external communications

The BMZ has a major interest in **underscoring development policy priorities as part of the German government's strategic communications abroad**. Communication in partner countries can play a significant role in increasing the visibility and acceptance of German and European development policy, in **fighting disinformation** and in strengthening reliable partnerships. The concrete positive impact on the lives of people in BMZ partner countries should also be highlighted, in a way that is appropriate to the target audience. In fragile partner countries in particular, direct dialogue with the local population at all levels of society helps to foster wider civil society dialogue. This indirectly strengthens German economic and security interests, too, and counteracts anti-European tendencies.

Modern development cooperation requires clear communication about objectives, priorities and impact. The reform will ensure:

- a coherent narrative that underscores the BMZ's position as a ministry for cooperation and security;
- binding guidelines for external communications;
- clear internal communication architecture;
- more visible impact reporting for parliament, partners and the general public.

This will highlight the role and relevance of development policy in the current context – at the political, societal and international level.

5. From planning to implementation – the next steps

The reforms and strategy outlined in this plan lay the **foundations for an ambitious implementation of change processes at the Federal Ministry for Economic Cooperation and Development and its implementing organisations**. An internal working structure for the implementation of the plan will be established at senior ministerial level. It will be guided in its work by an implementation plan with specific and measurable milestones and will ensure the implementation of the reforms in their entirety. Implementation of the reforms that have been decided on will begin in **January 2026 and be completed by summer 2027**. The reforms will be reflected in the **drafting of the 2027 budget**.

Agile formats will be used to facilitate cooperation between all Directorates on the reform process and the BMZ's external partners will be closely involved. The BMZ will liaise closely with the implementing organisations of German development cooperation on the modernisation of processes and procedures. The process will therefore reflect the principles of modern public administration in terms of issues addressed and procedures and it will harness the potential of new forms of work.

In order to implement the reform of development policy and the resulting goals effectively, there will be a reorganisation of the BMZ. Structures and procedures will be streamlined and the remit and role of working units more closely defined. A new organisational chart will reflect these changes.

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