



Deutsches Institut
für Entwicklungspolitik
German Development
Institute

Annual Report 2007–2008

Table of Content

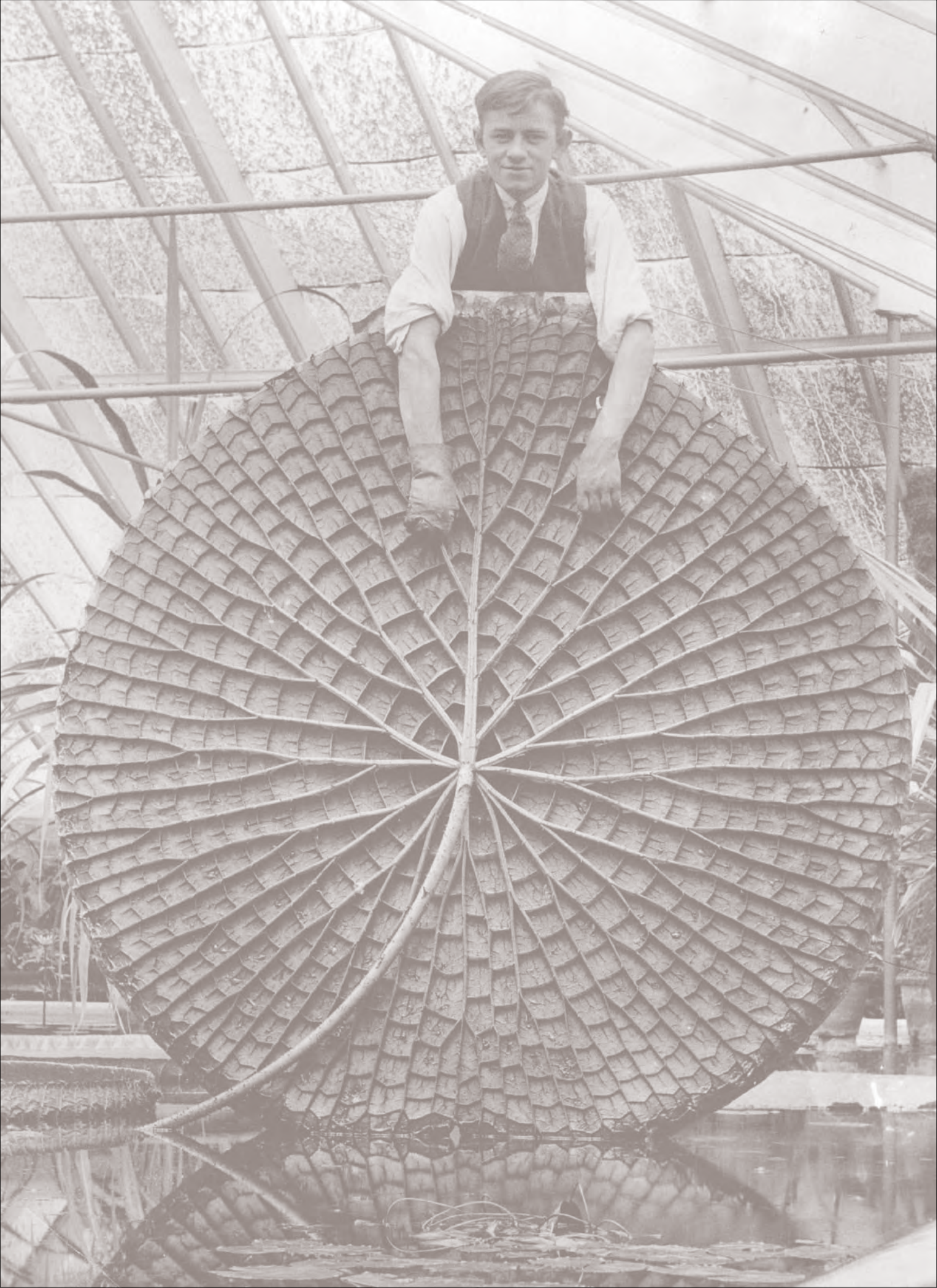
Research – Training – Consulting

4	Foreword Dirk Messner
	Words of Welcome
6	Heidmarie Wieczorek-Zeul Federal Minister for Economic Cooperation and Development
8	Armin Laschet Minister for Intergenerational Affairs, Family, Women and Integration of North Rhine-Westphalia
12	The German Development Institute's Strategy
	Consulting
14	Policy Advice in Development Policy
16	The Development Policy of the German Federal States
	Departments
20	Department Bi- and multilateral Development Cooperation
24	Department Competitiveness and Social Development
28	Department Governance, Statehood, Security
32	Department Environmental Policy and Management of Natural Resources
36	Department World Economy and Development Financing
	Working Groups
42	Working Group on Global Governance and Development Policy
44	Working Group on Development Cooperation with Africa
	Training
48	Postgraduate Programme
50	Global Governance School
56	Organisational and Personnel Development
	Publications
60	Studies
61	Discussion Paper
64	Briefing Paper
65	External Publications
68	Organisational Chart
69	Board of Trustees
70	Imprint

Annual Report 2007–2008

*Building bridges between
research and practice.*

Intelligent solutions
are often quite
simple in nature.





Prof. Dr. Dirk Messner

Director

The current development of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is best characterised by the terms dynamism and change. Since 2006 the institute has doubled its staff to a present level of roughly 100 persons; it has expanded its training activities with the Global Governance School (GGS), which trains young professionals from anchor countries; and in 2007 the institute moved into its new residence at Tulpenfeld 6 in Bonn. Including the institute's experienced research staff and the young staff members from the GGS and the Postgraduate Training Programme "Development Policy", the DIE now has over 100 "minds" working on future questions of global development. In addition, the institute has grown more international, and its team now includes people from 12 countries; the Tulpenfeld has become an attractive address for guest scholars from all parts of the world, and the DIE, together with partners from its global network, organises conferences designed to discuss shared research findings and new challenges for

development policy and to work out approaches to meeting the latter.

The institute has set priorities by linking its core development competences with expertise on the dynamics of global development. On the one hand, it is perfectly clear that development policy needs to engage in determined reforms to verifiably boost its effectiveness in the coming decade. Africa will be the continent on which it will have to prove its mettle. On the other hand, what is required of international cooperation is changing radically in connection with climate change, the limits of the fossil world economy, the impending reorganisation of the international financial markets, growing global energy, land, and water scarcities, the unresolved problem of fragile states, and the rapid change in the constellation of international power caused by the rise of China and India. The year 2009 will show whether the shock triggered by the international financial crisis and concern about the stability of world politics, the world economy and the need for

progress on unfinished reforms essential to global development – from WTO negotiations to the UN Climate Change Summit in Copenhagen – will provide the impetus needed for new reforms, without losing sight of the vital interests of the developing and emerging countries. If we fail, the second decade of the 21st century will be marked by instability, uncertainty, and a renaissance of power conflicts in a multipolar world. This would be an environment inimical to international development policy.

In a time of profound, turbulent global change, development policy needs to become more “knowledge-intensive.” The stage needs to be reset; new orientations are called for, the need to navigate in uncharted waters calls for farsightedness. The DIE works closely together with German, European, and international decision-makers with a view to finding innovative and sustainable responses to central challenges on the basis of cooperation between research and practice. One reason why this trust-based teamwork is so important is

that independent research and consulting may, and indeed should, develop recommendations that are not always what the world of politics wants to hear.

A foreword also provides an opportunity to say thanks. Excellence in research, consulting, and training is reliant on the availability of motivated, creative, and team-oriented staff members. The course of expansion on which the DIE has embarked would not have been possible without trust-based collaboration with the institute’s shareholders, the German Ministry for Economic Cooperation and Development and the Ministry for Intergenerational Affairs, Family, Women and Integration of the State of North Rhine-Westphalia. Advice received from our Board of Trustees has also given us some important impulses. And without fruitful cooperation with our partner institutes around the globe, the institute would do little more than stew in its own provincial juice. In other words, the successful work of the DIE has many mothers and fathers ... and a fine thing it would be if things continue this way.



Heidemarie Wiczorek-Zeul

Federal Minister for Economic Cooperation and Development

Development policy has in recent years not only continued to grow in importance, it is also in the midst of a process of change and increasingly sees itself faced with new global challenges. Scholarly research and policy advice are important, key factors needed to meet these challenges. In the national, and increasingly in the international context, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), the sole research institution in the ambit of the Federal Ministry for Economic Cooperation and Development (BMZ), has assumed this important bridging function between science and political practice. The present Annual Report not only mirrors the range of the issues with which the DIE has dealt in the past two years, it also shows that the institute is able to respond in a timely and topical manner to new developments and challenges, providing excellent science-based expertise. It is for this

reason that the DIE is a central partner for the BMZ. The DIE is now Germany's largest and most important Think Tank devoted to issues of development policy. This creates good opportunities to research new issues, to carry out new projects, and to acquire new staff members with expertise in different fields of development policy. At the same time it increases possibilities to communicate these issues to the German and international public. In view of the often emotional nature of the debate on the purpose and value of development cooperation, particularly in Germany, it is becoming more and more important to be able to communicate information, reasoned, material arguments, and findings from scientific research.

The DIE's tasks are not restricted to research and consulting, they also include training for young professionals interested in embarking on a career in German and international development policy. Here

too, the DIE has succeeded in adapting its curriculum to the new demands of development policy as global structural policy. The institute has further enlarged its scope and outreach with the Global Governance School. At it, young professionals from academic and practical walks of life come together from anchor countries like China, India, Brazil, and South Africa to work together on finding responses to global challenges of the present and future. The Global Governance School may be seen as exemplary for a successful linkage between research and training in the context of new global challenges and problems

Annual Reports generally do not hit the best-sellerlists. Nevertheless, I hope this present Annual Report will stir much interest and will find a large distribution, so that the public awareness of the German Development Institute's successful work will increase constantly.



Armin Laschet

Minister for Intergenerational Affairs, Family,
Women and Integration of North Rhine-Westphalia

The present Annual Report provides an excellent overview of the great variety of activities of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), one of the pillars of German development cooperation. The Government of North Rhine-Westphalia is pleased that this institute is based in North Rhine-Westphalia, Germany's North-South centre.

Since it moved to Bonn from Berlin eight years ago, the DIE has been very active in promoting Bonn's good image as an international conference venue and a hub of development and environmental research. One of the reasons that it accomplishes this in an exemplary fashion is certainly its proximity to the United Nations organisations based in Bonn.

This – together with the DIE's proximity to all the other development institutions located in Bonn – is a constant source of creative potentials that serve to enrich German development policy in very special ways.

We have often experienced this in the past. I am thinking here in particular of the first Bonn Conference

on International Development Policy in the past year, when, at the invitation of the state government, several hundred experts came to the Rhine to discuss the state of the UN Millennium Goals. Or this year's Metropolis Conference on Mobility, Integration and Development in a Globalised World.

All these are reasons why North Rhine-Westphalia supports Bonn's further development as a centre of international cooperation. And it goes to show: North Rhine-Westphalia, with its population of 18 million, Germany's most populous state, is aware of its global responsibility and prepared to act accordingly.

The DIE's expertise has a special role to play in this context, and this year, on the initiative of North Rhine-Westphalia, the institute carried out a first study on the development cooperation of the German federal states.

In the study, the German Development Institute makes a case that the German federal states should concentrate on education and awareness-building work concerning development cooperation, focusing on long-

term partnerships with developing countries, assigning priority to the fields of science and technology, and it comes out not least for efforts to strengthen cooperation with migrants from developing countries who are now living with us. North Rhine-Westphalia is determined to implement these recommendations step by step, for instance in the framework of its new partnership with Ghana.

The DIE's new Annual Report 2007–2008 confirms the necessity of our engagement in this area. As the report makes unmistakably clear, development policy must continue to play a key role in a globalised world. Development policy must be seen as a central contribution to giving shape to a future in which efforts to safeguard peace and security, protect economic stability, and contain the impacts of climate change will be closely interrelated.

One fact, apart from its research, that distinguishes the DIE is that it shows great commitment in publicising its research results, making them available for practition-

ers. Its staff members have shown again and again that their institute is anything but the ivory tower of fable and lore.

To cite an example, year after year, the DIE's Post-graduate Training Programme provides advanced training opportunities for young professionals, future experts who will take on important tasks in politics or in science when their studies and training are completed.

The German Development Institute has developed enormous appeal far beyond Germany's borders, for instance through its Global Governance School, which provides advanced training for young professionals from China, India, Indonesia, South Africa, Egypt, and Mexico. These activities serve to create research-practice clusters and – perhaps even more importantly – new development cooperation networks at the international level.

I wish to take this opportunity to thank the DIE and its researchers and staff for the good work they have done in the past two years and to wish them continuing success for the future.

The only way to
convince others is
to take a position
of your own.

Photo: The artist Yue Minjun, best known for paintings depicting himself frozen in laughter, in front of his painting "Seen in the grass land", in his studio in Beijing, 12 February 2006



The German Development Institute's Strategy

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) has in recent years pursued a reform strategy consisting of four core elements.

Growth: The DIE has increased the size of its research staff from 35 to 60 persons. This makes the DIE one of Europe's four largest development research institutes, and one that is internationally competitive.

Internationalisation: The best approach to coming up with viable solutions for global development problems is to have international teams work them out. The DIE carries out its research, consulting, and training activities in worldwide networks with a view to accelerating learning processes and feeding the international discussion on development issues into the debate in Germany. The DIE furthermore uses its own research findings and consulting and training activities to gain influence on processes involved in international development research and policy.

The DIE's internationalisation strategy is based on a number of elements: Guest scholars and scientists from developing or OECD countries find an attractive setting for their work at the institute. The DIE's research and training programmes are as a rule carried out together with international partners. DIE researchers work in international networks of experts such as the Global Development Network (GDN) or the European Association of Development Research and Training Institutes (EADI). DIE's Global Governance School provides training for young professionals from China, India, Brazil, South Africa, Mexico, Egypt, and Indonesia, preparing them for future tasks in the field of global development. The DIE has in this way become an important hub in the global network of development research institutes.

Excellence in research, consulting, and training: At the DIE, excellence in research is the *sine qua non* for providing quality policy advice, for the training

of future leaders, and for training and dialogue meetings with decision-makers and practitioners of development policy. But there is no automatic translation of excellent research into excellent consulting and training. As important as an intelligent article in a scholarly journal may be for a person's reputation as a researcher or consultant, it will rarely be of immediate relevance for decision-makers. Above and beyond their academic qualifications, the DIE's researchers are therefore expected to be practice-oriented consultants capable of developing concrete policy recommendations from complex subject matter, of translating new, often intransparent research findings into orientational knowledge, of communicating with decision-makers under considerable time pressure without claiming to know it all, and of addressing emerging issues that require political attention before the next crisis breaks out.

The situation is similar when it comes to the DIE's training activities. Here too, quality research is the prerequisite for quality training. But the special feature of the DIE's training, capacity-building, and dialogue activities for future, young, and experienced leaders and decision-makers is the link it forges between research and practice. The DIE is concerned not with democracy theories *per se* but with the best approaches to deriving practice-relevant conclusions from them for democracy promotion in development policy. And theoretical models of financial development are helpful only if they provide points of departure for dealing with financial issues in times of crisis. Often enough, theoretical concepts can help to view practical problems from different angles, in this way casting new light on concrete options for action. But experiences from policy consulting often also provide impulses for research at the DIE. In 2007 the *Wissenschaftsrat* (German Council of Science and Humanities), often referred to as the

Quality assurance based on external evaluation:

Evaluation of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) by the Wissenschaftsrat (German Council of Science and Humanities) bears out the Institute's strategy.

The 2007 Evaluation Report notes:

"The [Institute's] high-value research work, at once practice-oriented and theoretically ambitious, constitutes the foundation for the consulting and training services provided by the DIE. (...) The DIE has also succeeded in winning considerable international renown with its research.

The DIE has succeeded impressively in integrating its research, consulting, and training tasks. It is not least by successfully forging links between application-oriented research and theory formation and practical experience made in the course of development cooperation that the DIE has become an important consulting institution for numerous users. (...)

Special mention should be made of the attention that DIE has devoted to problems and concepts of scientific consulting and efforts to further develop methods needed to translate research into high-value consulting services.

"quality control organ" of the German system of science and research, certified that the DIE has done a very good job in reaching its goal of achieving excellence in research, consulting, and training.

Future-oriented issues: In thematic terms as well, the DIE has set new priorities in recent years. The institute's core competence continues to be research and consulting advice on development processes in Africa, Latin America, and Asia and what development policy needs to incorporate in order to provide meaningful contributions on economic, social, and political development in partner countries. The institute has also stepped up its research efforts concerning global development problems, including climate change, the limits of the fossil world economy, the phenomenon of fragile states, democratisation as a prerequisite for international cooperation and global governance, and, not least, the rise of China and India and other anchor countries like South Africa and Brazil as drivers of global change.

The reason for these efforts to broaden perspectives is quite simple: In the age of globalisation, developments in national societies are more and more closely intertwined with global processes. It is hard to imagine overcoming poverty in Africa without

efforts to combat climate change, without a sustainable world energy regime, and without efforts to stabilise international financial markets. Development policy therefore needs to be conceived as an element of global governance initiatives. The interplay between development policy and other external policies is growing in importance. These are lessons we have learned from the globalisation discussion of the past two decades.

In addition, the rise of the anchor countries points toward a second phase of globalisation, one that will be marked by tectonic power shifts. Both North-South and South-South relations are changing in fundamental ways, the centres of gravity of the world economy are shifting from west to east. In China and India we see societies developing that are at once "poor but powerful." In the coming years we will therefore see new agendas set in international cooperation, and the DIE for this reason is making increasing use of scenario techniques to create foundations for the far sightedness needed for the politics of the future.

These themes may be seen as central trends and challenges that are set to shape the future of development policy and DIE's work.

Policy Advice in Development Policy

The German government, the agencies responsible for implementing development policy, the German Parliament, the European Union, and non-European organisations expect the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) to provide state-of-the-art expertise. They also expect the DIE to provide impulses suited to feeding new research findings into the political process and “translating” theoretical knowledge into application- and policy relevant know-how, in this way providing busy decision-makers with the knowledge they need for purposes of orientation and interpretation.

In the advice it provides on development policy, the DIE is always mindful of the fact that the findings of scholarly research cannot be translated one to one into policy. Political decision processes and social learning processes do not follow a linear pattern. Everyone knows about political power struggles, bargaining processes, and institutional blockades. New models and patterns of interpretation come about over long periods of time and in

processes in which knowledge-based policy consulting is only one of many inputs.

This is one reason why the policy advice provided by the DIE is geared to thinking above and beyond day-to-day politics, to providing orientational knowledge, to detecting long-term trends in an early phase, and to feeding issues of the future into the scholarly and political discussion, much in the sense of agenda setting. To cite two recent examples from the DIE’s consulting work:

Anchor countries:

Long before the rise of China and India captured the headlines, the DIE, in some first analyses, recommended that cooperation with the developing countries that play a key and growing political, economic, and environmental role for their own regions be placed on a new footing. The hypothesis is that there will be no solving global problems without these so-called anchor countries. This is why it is essential to step up efforts to gain their support for cooperation in multilateral processes, and why bilateral coopera-

Creating policy-relevant knowledge from the findings of scientific research

“Doing business reforms” – significant factors involved in strengthening the economic dynamics in developing countries:

The DIE is involved in cooperation with the World Bank, the BMZ, and UNIDO in this crucial issue field of policy advice/consulting.

Efforts of German development policy to implement the Paris Agenda:

On behalf of the BMZ and in the framework of an OECD-wide evaluation programme on analysing the effec-

tiveness of development cooperation, a DIE team in 2007 prepared a report on this crucial issue of development policy.

Financial market stability in anchor countries:

In cooperation with InWEnt and with participation of the World Bank, the German Bundesbank, and the European Central Bank, the DIE is conducting dialogue meetings with decision-makers from Europe, China, India, Brazil, Mexico, and South Africa.

tion needs to do justice to the growingly important role they play. Since then, the German Ministry for Economic Cooperation and Development (BMZ) and other ministries have adapted their cooperation with the anchor countries on the basis of a number of analytical studies prepared by the DIE. This led to new dialogue processes “on equal footing,” and the DIE set up a made-to-measure training and dialogue programme for young professionals from selected anchor countries – the Global Governance School – conducted in the framework of Managing Global Governance in cooperation with InWEnt. The DIE has broadly expanded its research and consulting networks in China, India, Brazil, Mexico, South Africa, Egypt, and Indonesia with a view to addressing fundamental changes in South-South and North-South relations and at the same time to advancing its analyses in cooperation with actors on the ground.

Climate change, security, and development:

The 2007 report “Climate Change as a Security Risk” by the German Advisory Council on Global Change

(*Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen WBGU*), prepared under significant participation by the DIE, has had a major influence on the national and international scholarly and political discussion over the impacts of climate change on global development and international stability. In this connection Prof. Dr. Dirk Messner, Director of the DIE and WBGU council member, discussed in his capacity as council coordinator and one of the main authors of the WBGU report, the interplay between international security and global development processes with a number of key decision-makers both in Germany and in the international context. His work on the WBGU report, which was supported by DIE researcher Steffen Bauer, was based on a variety of regional reports prepared by the institute. The report’s findings have been adopted by the implementing agencies active in German development policy as well as in a position paper on the European Security Strategy issued in early 2008 by the EU Commission and the European heads of state. In addition the report has had a positive reception among representatives of important international Think Tanks like the Brookings Institution in Washington or TERI in New Delhi, who see in it the world’s first comprehensive study on the interconnections between climate change and international security.

Furthermore, in 2008 the DIE launched two new projects on the issue of climate change: a BMZ-funded research project focusing on conceptual issues involved in adaptation to climate change in developing countries and a policy-advice project concerned with preventing emissions from deforestation and forest degradation, which discusses various options for integrating this issue complex into the future climate regime set to be adopted for the period following 2012.

“Sustainable Solutions through Research”:

On behalf of the BMZ, the DIE is developing strategies designed to advance research and technology cooperation with emerging countries in some of the central fields of sustainable development.

The approaches adopted by development policy toward violence-prone non-state actors: *On behalf of the BMZ, the DIE has worked out a number of options for action designed to support stabilisation strategies in conflict countries.*

The Development Policy of the German Federal States

One question that arises against the background of the international debate on more effective development cooperation is what role the German federal states (*Länder*) can and should play with the funds they make available for development cooperation. In response to an inquiry by the German state of North Rhine-Westphalia, one of DIE's shareholders, the institute has prepared a Discussion Paper on reorientation of the development policies pursued by the German federal states in a rapidly changing international setting. If the major international donors are forced to accept the idea of having to defer to another donor in a given developing country or sector – because an overly large number of donors and projects may overstrain the coordination capacity of a partner country, more impeding than fostering development – then the question is whether, in today's world, it still makes sense for the BMZ and the national implementing agencies to be joined by sixteen German federal states, each with its own development policy and its own concepts, projects, and administrative structures. This is not an easy question to answer. Pointing to the fact that the states

contribute a good ten percent to German official development assistance (ODA) is not very helpful either, because the lion's share of this contribution (over 90 %) results from the costs calculated for the overall percentage of students from developing countries studying in Germany. These figures are a sign not of any special development engagement of the German state governments but of the relative openness of German universities for students from developing countries.

In other words, what is needed is a new basis for the development engagement of the German federal states. There is no doubt that the states have sole responsibility when it comes to cultural/educational matters, and that this constitutes the basis of their development-related educational mandate. And precisely in an age in which development cooperation is becoming increasingly abstract and incomprehensible for the normal citizen, for instance in connection with the shift from project-based aid to budget support and policy dialogue with partner governments, development-related education and public relations work are of the greatest importance. In order to

Participation and cooperation in international advisory bodies:

The DIE's team has participated in a good number of high-ranking policy-advice bodies, providing e. g. contributions on independent evaluation of the World Bank, participation in the German government's advisory council on "Civil Crisis Prevention", the German Advisory Council on Global Climate Change, the Global Agenda Councils, the UN World Economic Forum, the Commission on Science and Technology, and the Chinese government's International Council for Development and the Environment.

maintain political support for development cooperation, the wider public has to be informed and educated about the role of an up-to-date development policy conceived as “global structural policy” in an era of economic globalisation, shifts of weight in the world economy, and climate change. In view of the growing number of new global challenges that can be met only on the basis of close international cooperation, chiefly with the rising anchor countries (China, India, South Africa, Brazil, Mexico, etc.), the personnel cooperation in which the German federal states engage, that is, the training and capacity-building programmes, the dialogue functions and exchange programmes they make possible for experts and young professionals from these countries may be seen as having a major and growing significance.

Moreover, the German federal states should regard as their own mandate efforts to promote development-related research in both the natural and social sciences, in particular in view of the fact that Germany’s capacities in the field of development studies are far less developed than those found in the UK or France.

The growing economic weight and power of the rising anchor countries indicates a need for more networking between German research institutions and comparable institutions in the anchor countries and, generally, in the developing world. The German federal states would be well advised to accept as one of their core tasks in German development cooperation the promotion of scientific-technological cooperation with anchor countries and developing countries.

In view of their limited personnel and financial resources for development cooperation, the German federal states should focus on a limited number of partner countries – or partner regions/provinces in larger countries – and forge long-term partnerships with them that can serve to develop a variety of relationships, on equal footing, between municipalities and schools/universities and labour unions and civil society organisations on both sides. In this connection it would also make sense to get the diasporas of partner countries involved in efforts to create constructive links between integration policy and development policy.



Dr. Jürgen Wiemann
Deputy Director



Internationality
and excellence are
nothing without
the people who
matter.

Photo: Hans Schlegel, German astronaut during his first spacewalk at ISS, 13 February 2008

Development Policy

Effectiveness

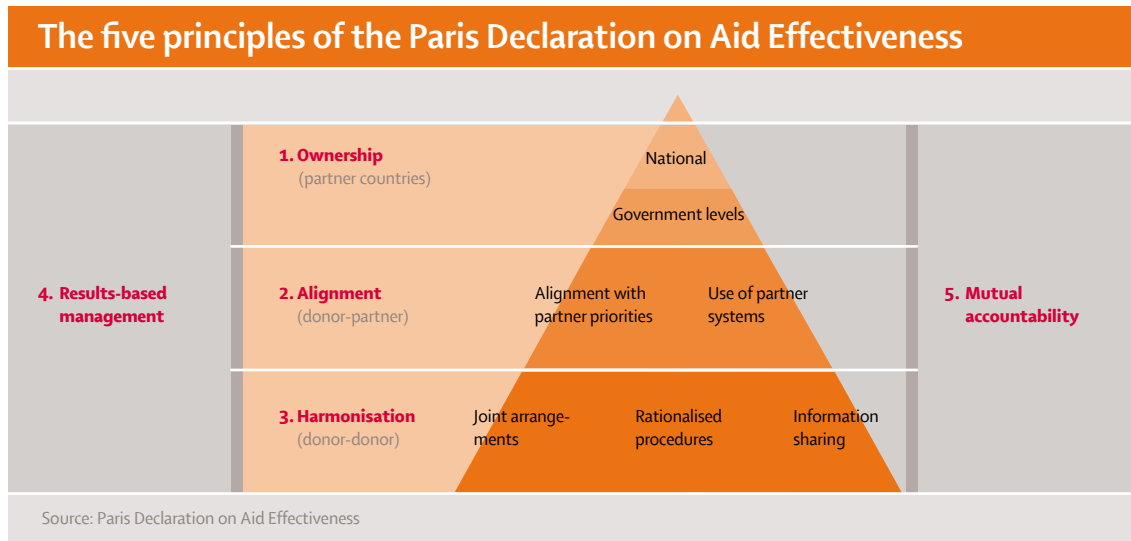
The effectiveness of development policy is the central challenge facing actors on both the donor and the partner side. This makes it an important subject for the research conducted at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). But what, exactly, is new about the discussion on aid effectiveness? After all, the 1969 (!) Pearson Report on international development had already made explicit reference to the need to improve effectiveness. But it is only since 1990 – with the end of the Cold War – that really new avenues have opened up for a consistent results orientation of development cooperation. Only since 2000 has there been broad global consensus on what an effective development policy in fact calls for: the 2000 United Nations Millennium Declaration on goals, the 2002 Monterrey Conference on financing, and the 2005 Paris Declaration on principles and procedures of development cooperation.

Asked about the effectiveness of their activities,

development cooperation actors often cite impressive figures, pointing to the volume and impacts of aid provided for the benefit of a particular population group or in a specific region. But even though individual projects or programmes may have proven highly effective in terms of their immediate project and programme objectives, we are nonetheless, and paradoxically, often forced to note that the overall development of a given partner country has not measurably improved, or indeed that it may even have deteriorated. Accordingly, donors are increasingly stepping up their efforts to focus their activities less on individual projects and more on comprehensive dialogue with partner countries on the substance and implementation of their own development strategies and policies.

The results of the intensive discussion on the modalities of development cooperation – that is, how aid is provided – have been codified in particular in the Paris Declaration. The DIE's research and advisory acti-

With the Paris Declaration of 2005, confirmed in Accra in 2008, the international community agreed on norms and procedures in development cooperation and thus created global standards. These standards emphasise the need to strengthen partner country ownership of development processes, a goal facilitated by enhancing donor coordination. The Paris Declaration has to date been signed by roughly 30 donor countries, 25 multilateral organisation, and around 90 developing countries.



vities in the issue field of “development policy effectiveness” have been concentrated especially on implementation of the Paris Agenda as well as on the possible effectiveness of new modalities and instruments of development cooperation.

One of these instruments, budget support, is an important building block of enhanced effectiveness that can be derived from the Paris Declaration, although it continues to be the subject of controversial discussion – both among donors and between the executive and legislative branches of government in Germany as well as at the European level. The German Development Institute has dealt in depth with the instrument of budget support – in its publications, advisory opinions, and consulting services as well as in the international scholarly discussion. The German Development Institute’s work shows that far from being a blank check for partner governments, budget support is, in practice, predicated on minimum governance

standards in partner countries, in particular as far as public budget management is concerned. Budget support calls for accompanying assistance for partner countries in their ongoing efforts to build planning and implementation capacities as well as for intensive policy dialogue and commitment to mutual accountability. Making use of partner country political and administrative structures to transact donor contributions may in this way serve directly to support the implementation of national development strategies. At the same time, budget support may ease the strain on administrative capacities in partner countries, in this way serving to enhance the outcome orientation of government action and development cooperation alike. In this context, both sides are very likely to talk more about setting political frameworks and less about individual steps along the path leading to a goal jointly agreed upon. However, the instrument does at the same time involve fiduciary and political risks, and

these need to be carefully assessed and weighed on a case-by-case basis. All in all, budget support offers major opportunities to improve both the effectiveness of development cooperation and the incentive effects on both of the sides engaged in cooperation. The DIE's future research agenda in this issue area will be concerned with possible approaches to better understanding and more effectively articulating the particulars of these incentive effects.

Looking beyond the instrument level, we find one fundamental problem besetting development cooperation, namely, and paradoxically, the large number of donors involved in it. For partner countries, the effort and expense involved may prove daunting if – as is commonly the case in Sub-Saharan Africa – a total of some 30 bi- and multilateral donors are engaged in one country, including a growing number of global funds focused on special concerns as well as a number of major private foundations.

The idea behind the Paris Declaration is to indirectly tackle the problem bound up with the large number of donors, namely by harmonising donor procedures. However, this approach is complicated and time-consuming in a situation involving a persistently large – or indeed even growing – number of donors. One alternative approach would be to reduce the number of donors active in individual partner countries, and sectors in partner countries, on the basis of a division of labour. Thus far the EU is the only actor to have adopted a relevant policy document. Building on preliminary work conducted in 2007 by the DIE, the EU, under the German Council Presidency, adopted its "Code of Conduct on Complementarity and Division of Labour in Development Policy"; it calls for coordination with partner countries and a division of labour between the EU member states and the European Commission, one keyed to the specific comparative advantages of the parties involved. Implementation is more than likely

Effectiveness as an ongoing challenge for German development cooperation

"In many aid-giving countries there is a persistent suspicion that aid is very often wasted and makes little impact on economic and social conditions."

(Pearson Report 1969, 168)

"Although many aspects of foreign aid are hotly debated, one view that seems to command almost universal assent from observers of the aid system (including from the aid agencies themselves about their own operations) is that the current aid system is not working very well." **(William Easterly, 2008, Reinventing Foreign Aid, 2)**

"What can be said is that clarity of responsibility and accountability, professionalism and effective coordination are essential to the proper functioning of any system." **(Effective Aid Management: Twelve Lessons from DAC Peer Reviews. DAC Development Co-operation Report 1/2007, 42)**

to confront all of these parties with major challenges.

As far as the broader Paris Agenda is concerned, and proceeding from 2005 data, it can be said that German development cooperation still has a long way to go to reach the targets agreed on for 2010. In the period from 2007 to 2008, in the framework of a broad-based international evaluation involving a total of eleven donor countries or multilateral agencies and ten partner countries, the Department has investi-

gated the progress made by German development agencies in implementing the Paris Declaration. The evaluation team has noted that all of the German actors evaluated have undertaken noteworthy efforts aimed at implementing the Paris Declaration. Even so, the institutional fragmentation of German development cooperation continues to impede any consistent coordination of support measures among German agencies and with partner countries and other donors.

Department Bi- and Multilateral Development Policy

Guided by the perspective of “improving development policy effectiveness”, the department is concerned, among others, with the following issues: (i) reform needs of German development cooperation (DC), (ii) effectiveness of

new DC instruments, (iii) European policy for global development, (iv) reform of United Nations DC, (v) scenarios for the future of development policy, (vi) coherence between development policy and other policies.



Sculpture “Integration” by Hans Dieter Bohnet, Bonn

Competitiveness and Social Development

Whether and to what extent countries are able to develop successfully and reduce poverty depends on their economic growth and the distribution of income gains associated with it. Cross-country comparisons and time-series analyses show that economic growth works in favour of poverty reduction; although in most countries, the incomes of the poor tended to rise at a much slower rate than the rise in average incomes. The greatest successes in poverty alleviation were achieved by countries – such as China, Malaysia, or Chile – that have experienced prolonged phases of strong economic growth.

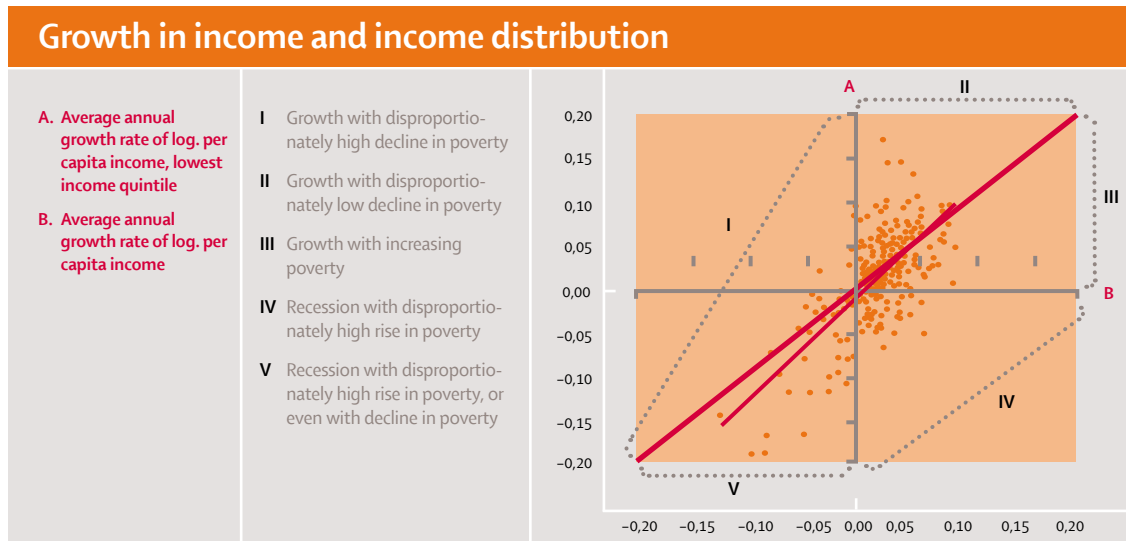
The only reliable way to achieve long-term economic growth is to make key segments of the domestic economy competitive, to replace imports with nationally produced goods, and to boost exports. Globalisation is removing the barriers to achieving international competitiveness, with the specialisation and knowledge orientation of economies increasing in scope, certified standards assuming growing importance, expectations of

certain minimum dimensions in place, and a good number of small and less efficient producers being crowded out of the market. Viewed in terms of development, the concern must be to enable the largest possible share of businesses and working people to successfully meet the challenges posed by modern production systems.

The Department of Competitiveness and Social Development of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) conducts research exploring the interplay between growth, distribution, and poverty and looks into policies and donor approaches best suited to fostering broadly effective growth. The department is adept at developing concrete, practice-oriented proposals bearing on this objective, providing policy advice on these issues to bilateral development agencies like GTZ and KfW as well as to international organisations like UNCTAD and UNIDO. This close interaction with actual users of policy concepts serves to increase practical relevance of the department's research,

One condition necessary, though not sufficient, to reduce income poverty over the long term is economic growth. In many countries, the incomes of the poor may increase only slightly, or even decline, when rates of economic growth are high. The non-economic

aspects of poverty (e.g. health, education, political participation, etc.) tend to correlate even less. What is therefore called for is an economic policy that promotes growth and opens up new opportunities for poor population groups ("pro-poor growth").



providing direct feedback on the quality of research findings and at the same time raising new questions in need of research.

The focus here is on three questions:

1. What are the best approaches to creating or strengthening competitive advantages in high value added sectors? The department approaches this question from an interdisciplinary perspective, linking methods from innovation systems research and business economics with studies on regional economic development and concepts from administrative sciences dealing with appropriate incentive systems. The department uses research on the ground and programme evaluation activities – e.g. on knowledge transfer from foreign businesses, or on international agricultural research institutes – to empirically test conceptual-level studies and apply them to specific countries and economic sectors.

2. What are the best approaches to integrating broader producer groups into competitive segments of

the economy? This question is the key focus of several department studies on the integration of smallholders into agro-industrial value chains, on business start-up programmes, on simplification of business registration procedures, on strengthening regional economic clusters, and on efforts suited to promoting the supplier industry.

3. What priority social-policy measures are needed and affordable, and what shape should they be given? Social policy sets the stage for improved economic and social participation of poor and previously marginalised population groups. At the same time, it contributes to economic growth by mitigating risks and enlarging opportunities open to poor population groups to engage in economic activities. The department investigates conditions under which innovative social-policy instruments may be used efficiently towards the goal of reducing poverty.

Market failure is widespread in all of the areas mentioned above, and the state has an important regulatory and supportive role to play in this regard. However, state

regulation and public business promotion tend to be bound up with a variety of problems in developing countries. Services are often not provided efficiently and not in a customer-oriented fashion; most services fail to reach the right target groups, or lack sustainable funding. All of the relevant research fields are concerned with designing public services in such a way as to ensure that they create appropriate incentives for actors concerned. This implies, for instance, that providers of public services need to be given clearly defined targets in order to be able to gauge their activities based performance indicators. Distinct targets also allow service providers to be able to hold their own in the face of competition, and most importantly, to be accountable. One feature of the studies and expertises of the Department of Competitiveness and Social Development is that they invariably accord due consideration to principles of this kind. The fact that the department conducts studies *in situ* and works close together with implementing agencies ensure that the policy recommendations it develops are well suited for practical applications.

Some highlights of the department's ongoing research

Improving the investment climate in developing countries: In many countries, investors are impeded by overregulation, arbitrary administrative decisions, or corruption. This goes for foreign companies and for national micro-enterprises alike. The result is that too few jobs are created and productivity fails to rise appreciably. One of the department's projects is devoted to the question of what regulatory framework is best suited to fostering growth, especially among micro-enterprises. In particular, the project takes a critical look at the World Bank's Doing Business Reports, which advocate a large measure of deregulation. The department's research comes up with a more differentiated picture. The results indicate, among other things, that many regulations are beneficial to businesses in that they serve to limit business risks; that as

a rule overregulation is not among the main obstacles to business development; and that some deregulation measures may adversely affect poor population groups. What this implies for business promotion is that reforms should be geared not generally to deregulation but to boosting the efficiency of the institutions in charge of business regulation and promotion.

Social insurance versus micro-insurance or social cash transfers: Over 50 % of the world population are without any formal protection against risks like age, illness, and unemployment. Many states do not provide any social insurance accessible for the majority of the population. The department is looking into the conditions under which micro-insurance could offer an alternative. Insurance contributions should also have to be affordable for low-income households. The best way to ensure this is for commercial insurers to work together with actors closer to the target groups. The former would include e. g. non-governmental organisations, village committees, or micro-finance institutions. At the same time, the research findings serve to temper the large expectations often associated with the micro-insurance approach. On the one hand, if the objective is a high degree of coverage and legal certainty for the persons insured, social insurance may well prove to be the better approach. On the other hand, if the target group is unable to afford insurance contributions, then the micro-insurance approach is unlikely to prove useful, and a better option might be seen in tax-funded social cash transfers (e. g. a basic social pension for all persons above the age of 75). This approach is, in part, far less costly than the public needs tests commonly used to determine eligibility for means-tested social assistance.

Biofuel production and rural development: Energy demand, and with it energy prices, are rising drastically throughout the world. The result is that cultivation of plants used to obtain alcohol and oil has

become a lucrative business. This offers new sources of income for rural areas. However, some energy cultures such as oil palms or soya tend to crowd out food crops. Special hopes are therefore placed in plants – like *Jatropha curcas* – that grow on barren land. These plants make it possible for farmers and labourers to earn extra income, provided they are planted on land that has until then lain barren. These plants at the same time bind greenhouse gases and stabilise soils and the water balance. Two teams from the department are investigating the develop-

ment potential of such oil-bearing plants in India and Namibia. The India study documents that oil-bearing plants are cultivated in a variety of production systems that have highly different and specific socio-economic and environmental effects. Whether or not biofuel production entails positive or negative development effects is a matter that depends on the choice of production systems. The study indicates which supply- and demand-side incentives are suitable in fostering rural development and limiting the risks of food crises.

Department Competitiveness and Social Development

The department carries out research on sustainable and broadly effective economic development. The research is concerned with conditions for success of economic and social support programmes in fields like: agricultural policy and rural

development; integration of small producers into modern value chains; strengthening technological capabilities; provision of poverty-oriented infrastructure; and development of micro-insurance systems.



Sculpture by Henry Moore "Large Two Forms", Former Federal Chancellery, Bonn

Democracy and Development

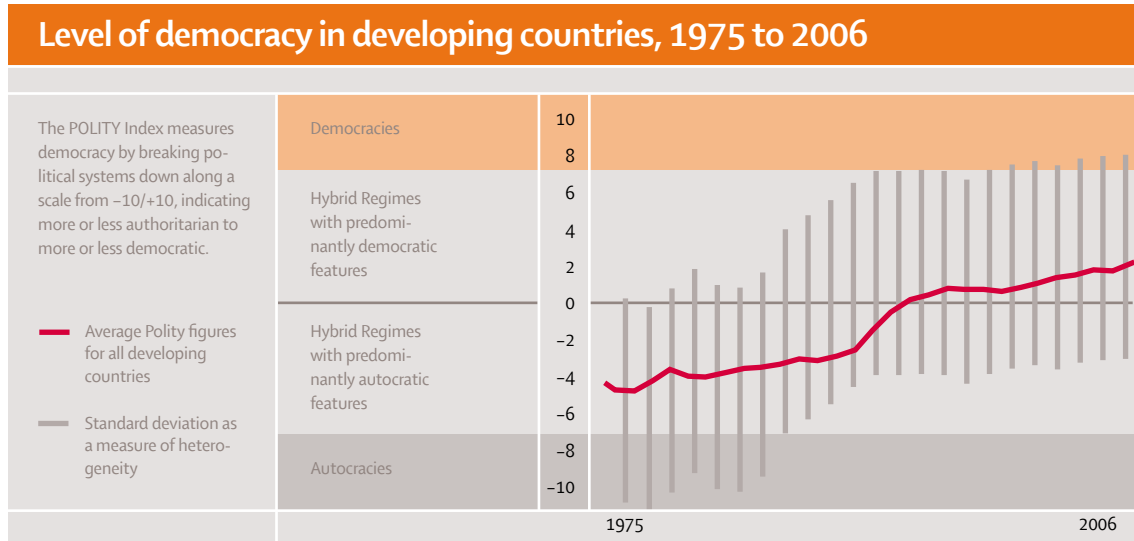
One of the research foci of the Department "Governance, Statehood, Security" is to inquire into the interrelationships between political rule and socioeconomic development. Based on this, it seeks to identify possibilities for external policies to create and stabilise democracy rooted in the rule of law. In connection with the controversy over the economic effects entailed by different forms of rule, Dr. Jörg Faust discovered a cause-effect relationship that was previously unknown. In a 2007 publication honoured by the *Deutsche Vereinigung für Politikwissenschaft* (German Political Science Association), he demonstrated that a rising level of democracy generally tends to have a conducive effect on aggregate productivity. The explanation advanced for this economic dividend of democratic rule is that autocratic regimes tend to rely on the support of a smaller group of societal actors, while democratic governments are in need of more encompassing majorities. This induces authoritarian regimes to gear

their economic policies more toward the privileges of certain minorities. The inclusiveness typical of democracies, on the other hand, is more conducive to competition-oriented economic policies, the driving force behind rising productivity and technological progress.

These results are in line with a body of empirical findings that, even though they see no direct correlation between democratic rule and economic growth, do regard democracies as having a clear-cut advantage over autocracies when it comes to socially balanced and innovation-friendly economic policies. That said, though, the advance of democracy in developing countries is quite gradual in nature, as illustrated in the diagram. In addition, it has often been observed that despite efforts to introduce free elections, a free press, and freedom of association, political transparency and the rule of law can be improved, at best, only over the longer term, very rarely in the short term. It would thus be naïve to assume that democracy would automa-

The graph shows a persistently large measure of heterogeneity of forms of rule (grey lines) in developing countries. In addition, it shows that the average level of democracy

has gradually risen in the past three decades in the 130 countries covered, although the mean figure continues to be far below the orange area indicating functioning democracy.



tically spread by the sheer virtue of the collective advantages it offers. On the contrary, the benefits that democracy entails for society as a whole may even tend to impede democratisation processes. The reason is that the transition from an authoritarian system to law-based democratic rule constitutes a threat to the political and economic privileges enjoyed by ruling elites. This is one reason why democratisation processes tend to be conflict-laden, take decades to realise – and may indeed even fail.

In view of this discrepancy between the merits of democracy as a form of rule and the difficulties encountered in diffusing it, one of the most challenging tasks facing development research must be seen in the need to work out the reasons for successful processes of democratic change, but also for autocratic stagnation, and to feed the findings into the practical processes of development cooperation (DC). Apart from general, cross-country interrelationships, it is essential

here to pay special attention to regional particularities that may, in part, serve to explain specific patterns of rule or paths of political change. For instance, while large parts of Latin America have made substantial progress in democratisation over the past three decades (despite some deficits in the rule of law), the interim balance in some other regions, like Central Asia or the Middle East, is far more negative.

What is needed to identify and explain these disparities is the wide-ranging expert knowledge that is an important hallmark of the department. One example here would be the publication in 2007 and 2008 of a series of comparative policy papers analysing the chances of and challenges to “good” governance in six world regions: Latin America, the Middle East, South Asia, Southeast Asia, Sub-Saharan Africa, and Central Asia/the South Caucasus. Networking with other scholars throughout the world is a further factor contributing to the quality of the department’s output.

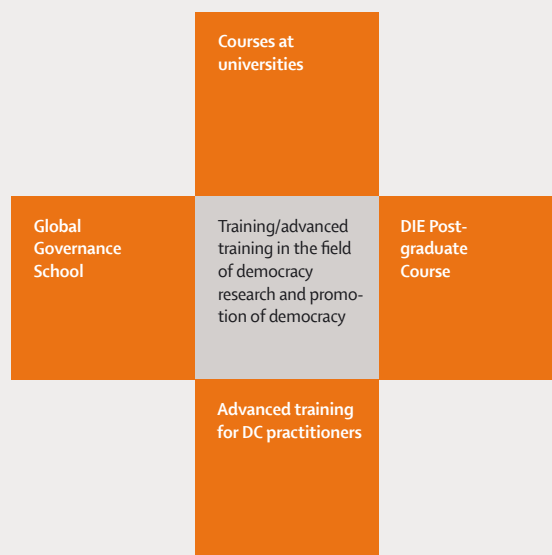
To cite an example, Dr. Oliver Schlumberger, a well-known Middle East expert at the German Development Institute, recently edited a volume (published by Stanford University Press), in which a team of international experts analyse the reasons for the persistence of autocratic regimes in the Arab world.

Aside from political systems analysis, the department has defined a position for itself as a centre of expertise on issues concerning international factors that influence political rule, or “good” governance. Efforts to promote democratic rule based on the principles of subsidiarity and rule of law are among the foremost, though at the same time most difficult, challenges facing development cooperation. This is one reason why department staff provide policy advice designed to accompany political decision-making processes or make their knowledge available to the implementing agencies of development cooperation – for instance a) in revising the German Federal Ministry for Econo-

mic Cooperation and Development’s (BMZ) “Good Governance” regional concept for Asia or b) in support of the *Deutsche Gesellschaft für Technische Zusammenarbeit’s* (GTZ) efforts to reorient its assistance for democratic rule of law in Latin America. The department also provides international consulting services, e. g. in connection with the evaluation of the World Bank’s decentralisation strategies. Despite the great variety of instruments available to promote democratic participation and the rule of law, efforts to promote democracy in authoritarian states have again and again proven to be a special challenge. Julia Leininger, co-author of a recently published advisory paper on democracy promotion, comes to the conclusion “that we lack the integral and long-term strategies needed to provide constructive support for the diffusion of democracy in authoritarian parts of the world.” Two factors that have proven particularly counterproductive here are the situation of resource scarcity in the

Training at the German Development Institute

In its training programme, the German Development Institute offers a number of formats linked to democracy research and democracy promotion: These issues are taught, for instance, in the two main training courses offered by the DIE, in courses taught by department members at universities, as well as in connection with advanced training for BMZ staff members or staff members of the German Bundestag. One of the department’s primary concerns is to work out and present the structural political and economic advantages of democratic rule, without in any way downplaying the challenges inevitably involved in political transformation. The urgency of acute problems (climate protection, preventive healthcare, educational policy, etc.) may well mask the fact that the paths open for common-interest solutions are defined by the structures of political rule that govern societies.



OECD world and the resource-based growth observed in several developing countries. Both tend to diminish incentives to promote democracy and to weaken endogenous forces of democratic change.

Finally, the ongoing process of change toward a more multipolar world order will inevitably have implications for efforts to effectively promote democracy and the rule of law. Even today anchor countries like China, India, or Russia are seeking, in some cases, to gain influence on the systems of political rule in place in neighbouring countries. The department has devoted a major, third-party funded research project to just

this issue. In essence, as project coordinator Dr. Jörn Grävingholt notes, “we are proceeding on the assumption that, beyond their interest in stability, anchor countries with more authoritarian structures have no interest at all in seeing democratic rule established in neighbouring countries. Indeed, they are far more likely to be interested in structures with a more authoritarian complexion, and this interest is likely to be reflected in their external behaviour.” In this case it is evident that the international democratic community needs to step up its efforts to enhance the effectiveness of democracy promotion.

Department Governance, Statehood, Security

The work of the department centres on the political factors that influence the development of society and what challenges this implies for development policy. The department’s research focuses include:

dynamics of political transformation processes, causes and implications of fragile statehood, and different approaches and instruments designed to promote democracy, the rule of law, and decentralisation.



Former Plenary Hall of the German *Bundestag*, World Conference Center Bonn

Climate Change: Challenge for Development Policy

2006 is the year in which world public opinion started to take climate change seriously. The decisive impetus was given by the analysis presented by former World Bank chief economist Sir Nicholas Stern on the economics of climate change. This was followed, in 2007, by the reports of the Intergovernmental Panel on Climate Change (IPCC) on the observable state of global warming, its impacts, and the measures needed to limit the constant rise in global temperatures.

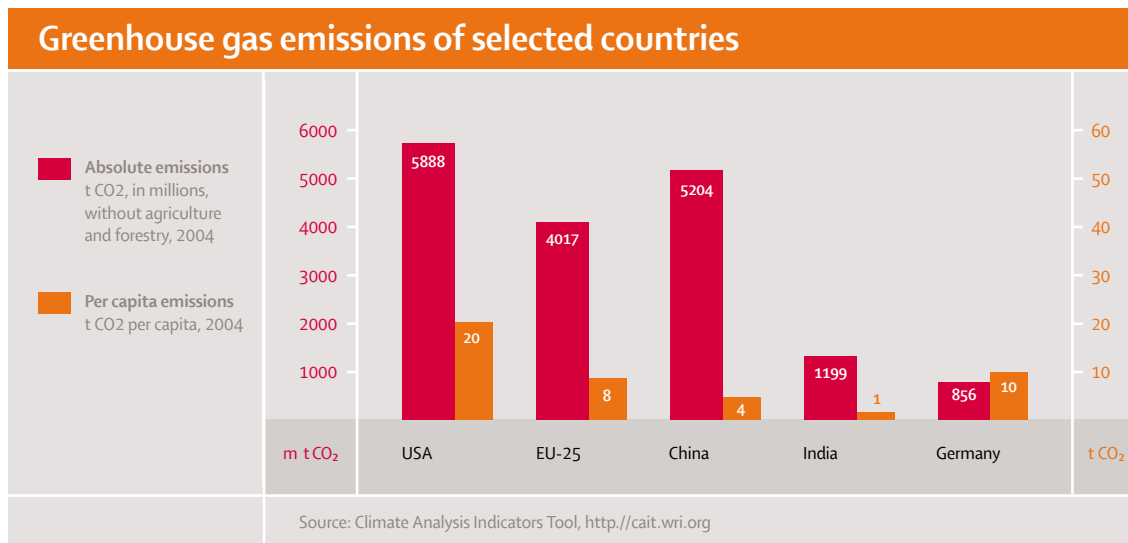
Since 1992, the year in which the UN Framework Convention on Climate Change was signed, development policy has focused on support for measures designed to reduce greenhouse gas emissions in developing countries. Worldwide, the Global Environment Facility has disbursed some USD 17 billion for the purpose. Since 2002 Germany has invested over 1 billion Euro, most of it to improve energy efficiency and to promote the use of renewable energies. However, the need to adapt to the inevitable consequences of climate change

was long neglected; neither were significant funds invested for the purpose nor were sufficient efforts undertaken to allow development cooperation to make systematic use of positive interactions between poverty reduction and preventive adaptation. Even the Millennium Development Goals have thus far been concerned only marginally with the need to protect natural resources, and no explicit link has been created between poverty-relevant indicators and the need to mitigate vulnerability to climate change. This is among the focuses of the research conducted by the Department "Environmental Policy and Natural Resource Management" of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

In 2006 the DIE started looking into these issues, and in 2008 it set up a beacon project known as "Climate Change and Development." The project's aim is to investigate what is needed for developing countries to adapt to climate change and what support develop-

China and India have the highest absolute energy-related greenhouse gas emissions reported for the developing world, just below the figures noted for the US and some

EU countries. Their extremely low per capita emissions point to continuing major disparities in development levels.



ment policy can provide for the purpose. The project's focus is agriculture and the water sector in Sub-Saharan Africa. If the mean global temperature rises by 2 °C, the impacts on the ground may be devastating. According to calculations published by the IPCC in 2007, 350 to 600 million more people would be faced with water stress. As early as 2020, yields in rain-fed agriculture could decline by up to 50 % in some countries, while the total amount of arable land available would decline in arid regions. But, as the IPCC notes, it is possible to reduce people's vulnerability to climate change, in particular by gearing technological change and land-use planning to climate change.

In other words, it is time to start working on adaptation processes. These will include technical measures like raising the height of dikes and designing bridges and roads with a view to more frequent and severe flooding, or conversion of agriculture to meet challenges posed by higher temperatures and a more arid climate. But

there is also a need for efforts designed to address the root causes of vulnerability to climate change, including poverty reduction and special supplementary measures. Failure e. g. to invest in environmental and resource protection in connection with efforts to expand agricultural or industrial production potentials will inevitably have adverse effects on the capacity of ecosystems to respond to more frequent droughts or flooding.

It is essential not to underestimate the political and social dislocations that may be caused or intensified by climate change if no preventive adaptation measures are taken. The 2007 flagship report of the German Advisory Council on Global Change (WBGU), "Climate Change as a Security Risk," in the preparation of which DIE's Director, Prof. Dr. Dirk Messner, played a key role, warns of the possibility that distributional conflicts over land, water, and food may intensify in the future, leading to growing flows of migrants. The likelihood of climate-induced conflicts, both intra- and

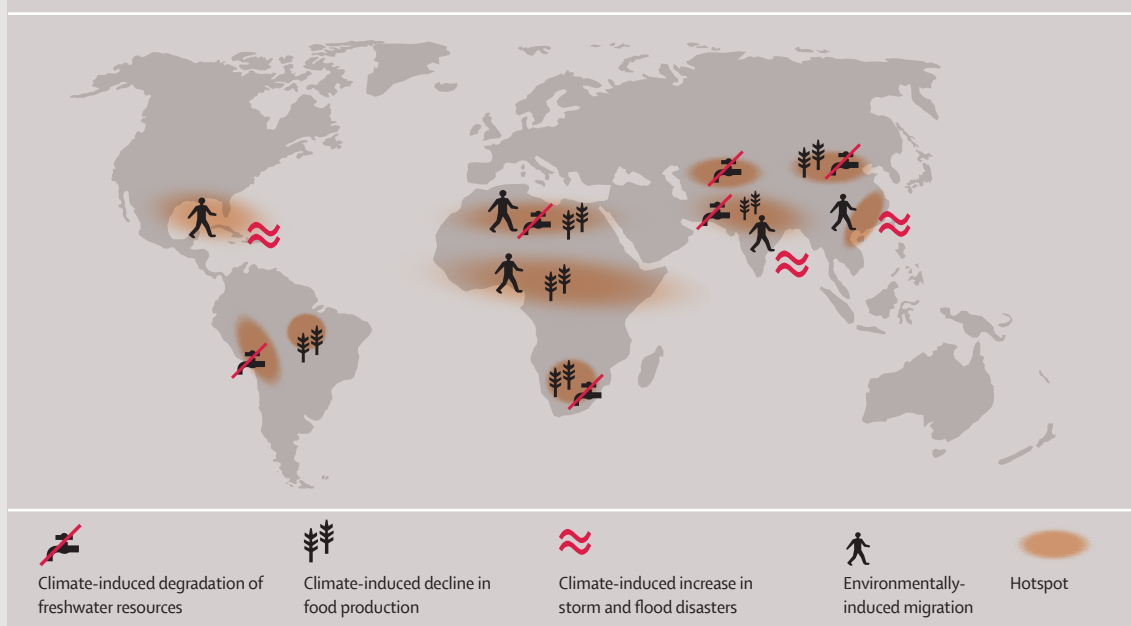
international in nature, will inevitably increase, above all in Asia and Sub-Saharan Africa.

Even in times of climate change, economic growth and poverty reduction will of course continue to have priority in developing countries. However, the greater energy needs required for the purpose will have to be met without unduly increasing greenhouse gas emissions. This state of affairs confronts development policy with a good number of new challenges, which are also under consideration at the German Development Institute: How can the process of structural change, linked as it is with growth, modernisation, and urbanisation, be shaped in such a way as to ensure that patterns of production and consumption reach the highest possible degree of energy and resource efficiency? What new forms of North-South cooperation do we need – in particular with India and China – when it comes to introducing the necessary technological innovations in a manner as timely and broadly effective

as possible? In what ways might it be possible to improve the coordination of climate and development policy in Germany and the EU with a view to ensuring that efforts in the relevant policy fields lead quickly to significant results?

In the framework of a project called “Climate-relevant policies in China, India, and Brazil,” the department has looked into what capacities China has to limit its greenhouse gas emissions. China’s 11th five-year plan (2006–2010) sets out the objective of boosting the country’s energy efficiency by 20 percent by the year 2010 and substantially increasing the share of renewable energy sources in use in the country. The principal driving force here is the need to increase energy security for economic growth and to reduce costly imports of oil and gas. Climate-related goals generally play a subordinate role in the plan. To cite an example, low and subsidised energy prices in China do not serve to set incentives to save energy. The central government is

Conflict constellations in selected hotspots



Source: German Advisory Council on Global change (WBGU), 2007.

faced with visible challenges in asserting its authority in these policy fields: The country's provincial and municipal governments are intent on sustaining high rates of economic growth, and they regard environmental and climate-related regulations as disruptive. Sixteen of Asia's worst-polluted cities are located in China. The DIE is working on similar analyses on India and Brazil.

Roughly one quarter of global greenhouse gas emissions result from deforestation, in particular in tropical countries. In the framework of a project entitled "Reduction of emissions from deforestation and

forest degradation in developing countries," the department is looking into optimal ways to make use of climate policy to support forest protection and sustainable local development. Any unrestricted incorporation of this emission type into a future emissions-trading regime would require the industrialised countries to accept reduction targets 25–40 % or more below 1990 levels. The DIE recommends that part of the revenues from the sale of emissions certificates should be used to combat the causes of deforestation.

Department Environmental Policy and Natural Resource Management

In addition to the climate-related issues addressed above, the department is concerned with the following themes: pro-poor approaches in water policy; integrated and adaptive water resources management; diffusion of

global standards in national policies: the example of the World Commission on Dams (WCD); use of water research for development cooperation; poverty-oriented impact analysis of development cooperation.



Solarworld Photovoltaic elements, Building PO 1, Bonn

Global and Local Capital Markets

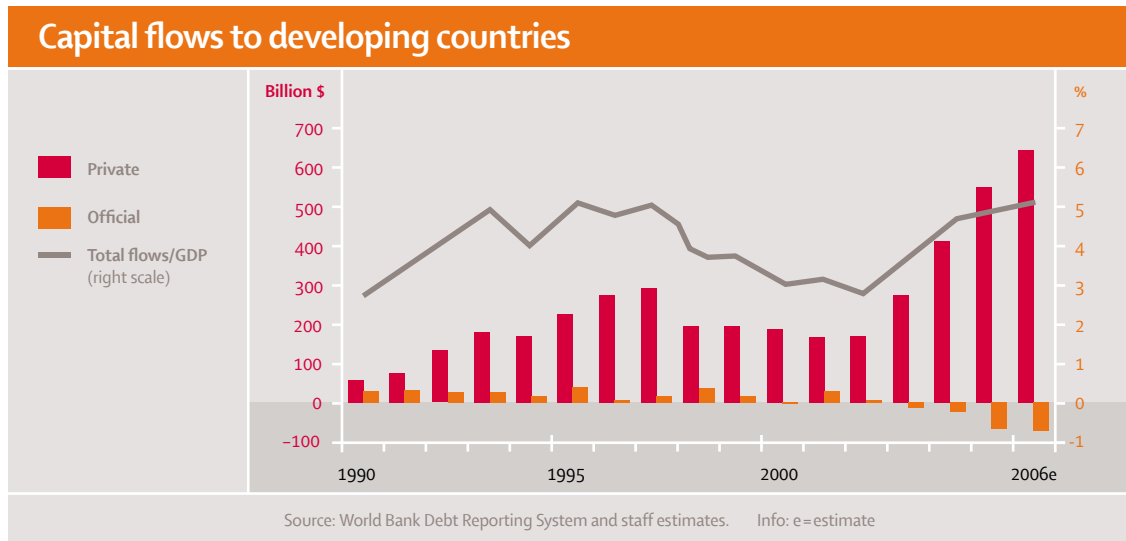
Integration of the developing countries into the global system of finance and trade is a task crucial to realising their development potentials. The question is thus how the institutional and regulatory framework of the world economy can best be reformed and further developed with a view to achieving a globalisation that is at once fair and inclusive. Most of the issues with which the Department "World Economy and Development Financing" is concerned are keyed to the development of national and international capital markets – markets that may give rise to particularly powerful dynamics and are in need of specific kinds of regulation. While integration of the developing countries into the international financial system may offer these nations substantial benefits, one crucial precondition is a certain level of development and the ability of governments to manage their national capital markets.

This can be observed particularly clearly when international financial crises occur. Irrespective of the

factors that trigger such crises, developing countries are especially vulnerable to their impacts on the financial sector and the real economy. Since most developing countries lack broadly effective social protection systems, and – even in the advanced developing countries – large segments of the population live just above the poverty line, the potential social implications of financial crises may be quite serious. Viewed against this background, it is essential for the developing countries (1) to adopt a cautious approach to improved access to the international capital markets and (2) to expand their national capital markets with a view to better avoiding the risks implied by inflows of external capital.

Against this background, one research project presently being conducted by the department is concerned with a development of capital markets geared to the financing of municipal investment. For many developing countries, decentralisation processes have

Since the 1990s, private capital transfers have surpassed official transfers to developing countries. In recent years net official transfers have been negative on account of the high repayments the emerging economies have made to the international financial institutions. This situation will change in connection with the financial crisis, with private capital inflows declining and official transfers rising. In the long term, private capital will remain more important for the developing countries than official transfers.



induced central governments to cede a number of their tasks to local and regional authorities. These processes have two aspects that are at once closely intertwined and bound up with the principle of subsidiarity: First, what is called for is more democracy and more inclusive processes of political participation at lower levels. Second – and this is an immediate implication of the point just referred to – public services can be better planned, implemented, and monitored when accountability for them is situated at the level closest to the citizen.

However, the *sine qua non* for provision of public services by subnational authorities is availability of appropriate infrastructure. This applies for water supply and wastewater disposal no less than for the transport system – roads, ports, airports, and local public transport – for local energy supply no less than for local educational, cultural, and health policy. In all these policy fields, however, most developing countries are faced

with huge deficiencies when it comes to providing appropriate infrastructure, a problem whose dimensions are often augmented by rapid urbanisation processes. What is therefore needed to achieve sustainable and broadly effective economic growth is investment of large sums in municipal infrastructure, the objective being to open up access for the population – including people living in urban slums – to public services, to promote the local economy, and to give a more environmentally compatible shape to the process of urbanisation.

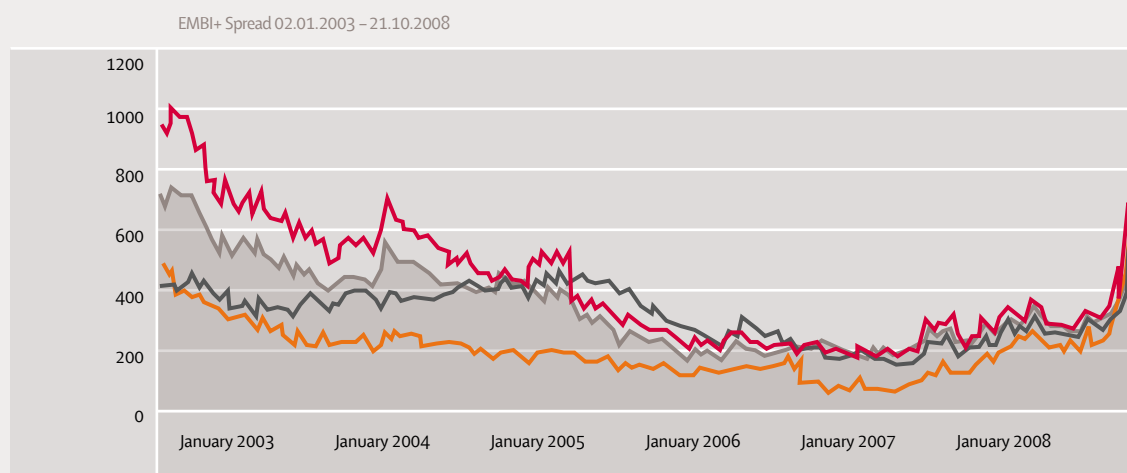
Case studies prepared by members of the department in two countries – South Africa and Indonesia – have shown that infrastructure financing is, in general, a very difficult issue for developing countries, one that confronts their governments with a financial dilemma. Given the long-term nature of investments in the policy fields referred to above, developing countries have a need for either non-repayable grants or long-term,

low-interest loans. However, state and municipal budgets tend to be under such severe strain that they are as a rule unable to cover investment needs. And long-term, low-interest loans are notoriously difficult to secure in the underdeveloped capital markets of developing countries. This is the reason why developing countries are often forced to resort to the international capital markets or the international development banks, whose core business includes financing of infrastructure projects. These loans are, however, for the most part provided in the form of foreign exchange credits of the kind that have in the past driven many a country – e. g. Indonesia during the 1997 Asia crisis – into financial ruin. In view of the fact that infrastructure projects for the most part generate revenues only in national currency, financing such projects with loans denominated in foreign currency must be seen as generally problematic unless the currency risk is assumed by third parties.

The way out of this dilemma is to develop local capital markets. Chiefly in advanced developing countries like South Africa and Indonesia, local capital markets have become the most appropriate source of long-term capital. The national banking systems of these countries as a rule have savings that can be transformed into long-term credits denominated in local currency, although at present these savings are, for lack of suitable investment opportunities, for the most part either invested in real estate or transferred abroad. National capital markets need to be broadened and deepened to keep capital at home and to be able to invest in national development.

The department recommends that the international donors should take steps to promote the process involved in developing local financial intermediation and that they should, in the future, refrain from providing direct external financing for infrastructure. The future tasks of World Bank, KfW, and others should no

Financing costs for foreign debt contracted by emerging markets



Source: Data from www.cbonds.info

● Latin America ● Africa ● Asia ● total

Financial crises exacerbate the financing conditions for developing countries and emerging markets. Even though the financial crisis of 2008 originated in the U.S., it is the

emerging economies that will – just as they were in the wake of the Asia crisis – be forced to pay far higher risk premiums for new foreign debt (spread: 100 base points = 1%).

longer be to finance the one or other sewage treatment plant but to support the efforts of municipalities, banks, and ministries to develop the financing models needed to keep long-term capital at home and to turn it to account for investment purposes. Until that has been achieved, public funds will continue to be rationed, that is, most important investments will simply not be made until the situation changes. Finally, comparison of these two countries shows, once again, that development policy is in need of con-

text-linked instruments geared to the specific features of partner countries. Promotion of national financial markets, which may play a significant role in financing local public services, is an important field of action of development cooperation. However, the question of what strategies will prove most effective in developing financial markets amid complex decentralisation processes is one that depends in crucial ways on the framework conditions in place in specific partner countries.

Department World Economy and Development Financing

The department is concerned with the challenges posed by global economic governance, i. e. with the further development of the institutional and regulatory framework of the world economy, with a view to achieving a fair and inclusive globalisation. Among

the major issue fields it deals with are: (i) regional economic integration processes, (ii) the role played by multinational corporations, (iii) the international monetary and financial system and the development of capital markets.





عقلمندی شغروندی و التزوم به لایحه پیشنهادی

همه پرونده

باید وکیل داشته باشند

مجلس از افزایش دستوری نرخ ارز

جلوگیری می کند

Autonomy is
conditional on
freedom of the
mind.

Photo: Shirin Ebadi, first female judge of Iran and first Muslim Nobel Peace Prize winner

Development Policy and Global Governance

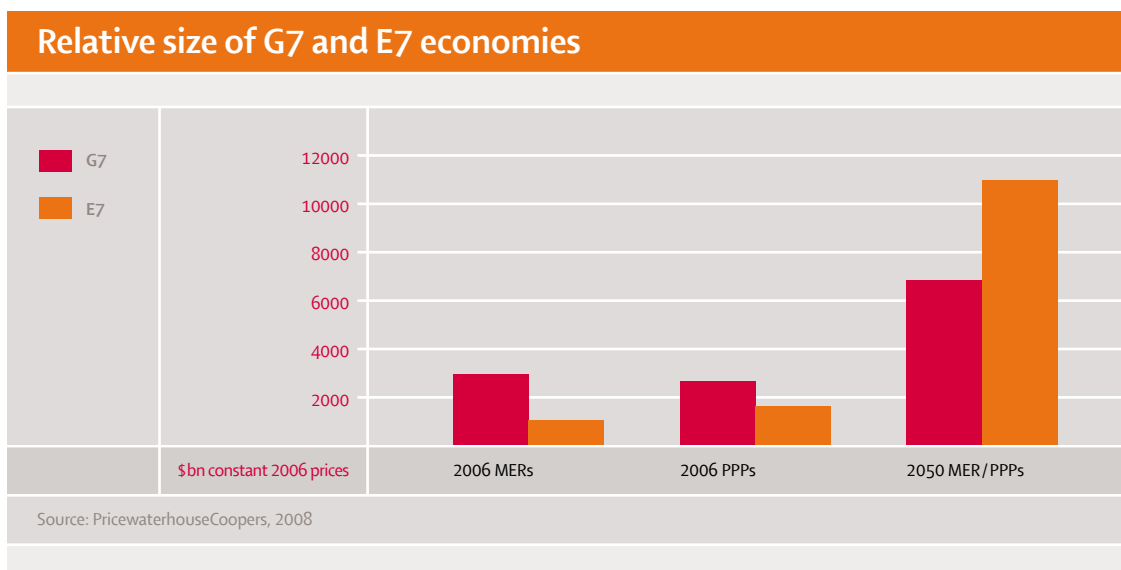
The development chances of developing countries hinge increasingly on processes of global change (including e. g. climate change, international financial market development, technological transformation processes, worldwide power shifts) as well as on global governance structures. In its country and regional strategies, development policy needs to accord more and more attention to these international dimensions of development. At the same time, the interplay between development policy and other external policies is assuming greater importance. The principle task of the Working Group “Global Governance and Development Policy” of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is to reflect, from this perspective, on the future of development policy. Its work centres on studies on United Nations reform processes and what they imply for international development cooperation. In addition, the working group is concerned with economic and political transformation processes in anchor countries, whose growth dynamics make them relevant regional and global governance actors. In what ways are these countries

likely to alter the development dynamics in their regions, North-South relations, and development policy?

Asian Drivers of Global Change

The international framework conditions for development policy have changed radically since the end of the East-West conflict. In the 1990s, for the first time since the mid-1900s, the developing countries grew at a faster pace than the OECD countries, with South-South trade growing substantially in importance. The weight of the OECD countries in the world economy and world politics is waning following a phase in the wake of the Cold War that seemed to indicate that the “hegemony of the West” would persist. This trend will continue in the coming decades. Classic “North-South relations” are in the process of dissolution. Development policy needs to find the right approach to dealing with these changes.

The “Asian Drivers of Global Change” research cluster, with its focus on China and India as the central drivers of the transformation of global power, is concerned with the impacts of the rise of these two Asian giants on other developing countries and regions. To



cite an example, the research cluster is looking into the trade, energy, and development strategies that China, and increasingly India as well, are pursuing in Africa. What we find is that the rising Asian powers are in the midst of a search process aimed at redefining their foreign and trade policies, and that it will be quite some time before this process is concluded. Attempts to interpret China's Africa policy exclusively as a policy designed to secure resources are misguided. Increasing efforts are being undertaken in the Chinese government to reflect on the impacts of China's engagement on conflicts, the environment, and corruption on the African continent, not least because China, as a trading power, needs to be mindful of its international image. Against this background, the DIE is looking into possible options available to gain influence on the Africa policies pursued by China and India, drawing conclusions for German and European Africa policy.

Another project is concerned with the innovation dynamics shown by China and India in their efforts to develop a low-carbon economy. The background: China and India are soon set to become central drivers

of climate change. The only way to avert further global warming is for China and India not to follow in the footsteps of the industrialised countries, with their greenhouse-gas-intensive development patterns. Are there any signs that China and India may succeed in switching to a more climate-friendly growth path in the coming two decades? How are technological learning processes in these two countries progressing in these fields? Are Chinese and Indian companies and research institutions investing in the development of low-carbon strategies? Are China and India set to become pioneers of a climate-compatible development that could be copied by other developing countries, or will they remain dependent on technology imports from the OECD countries? What implications do these developments have for cooperation projects between Germany, Europe, China, and India in the fields of climate and development policy? The DIE is working on these future problems together with strong partner institutes like the Institute for Development Studies (IDS) in Brighton, the Chinese Academy of Social Sciences in Beijing, and the TERI Energy Research Institute in New Delhi.

"The results of the research conducted by the "Asian Drivers of Change" research cluster indicate that we are in a situation marked by tectonic power shifts toward Asia, and that these shifts will lead into a system of 'turbulent multipolarity' in which some of the old certainties and concepts of international cooperation will be up for critical scrutiny. The OECD countries are looking for strategies to deal with the rising new powers, which, 'poor but powerful', seem somehow not to fit into the traditional division of labour between foreign and development policy. If, in the coming two decades, efforts to integrate China and India take a cooperative and peaceful course, the stage would be set for

a more stable, effective, and inclusive world order. However, the rise of the world's two most populous nations could also lend more weight to the classic mechanisms of power politics, leading worldwide to more tensions and conflicts and constricting the scopes open to development policy. With their research, DIE and IDS are providing important contributions to illuminating new opportunities for a balance of international interests."

Prof. Dr. John Humphrey, Director of the Globalisation Team at the Institute for Development Studies, Brighton, and Prof. Dr. Dirk Messner, Director of the DIE.

Renewal through NEPAD? – Agricultural Policy in Africa

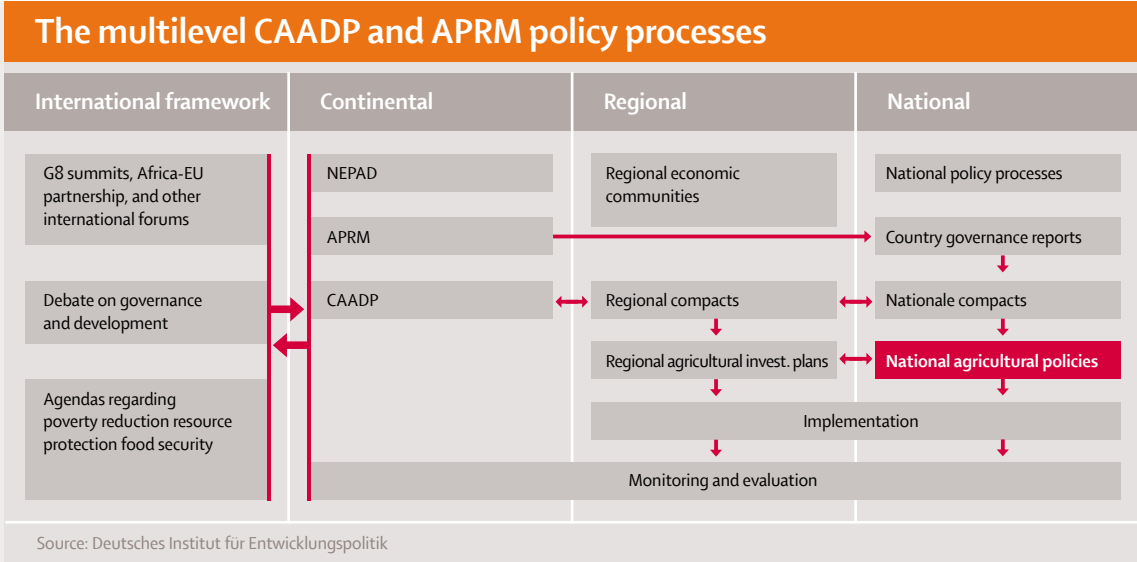
Agricultural development will be one of the most important tasks for sustainable growth and poverty reduction in Sub-Saharan Africa (SSA) in the coming years. Africa’s agriculture accounts for some 40 % of the continent’s aggregate output, 40 % of its exports, and 70–80 % of its jobs. The current food crisis has served to heighten the perception of all parties involved for the need to support and promote African agriculture.

Despite the pronounced role it plays, the agricultural sector in SSA was, in the past decades, first skimmed off massively, and since then it has been neglected by both governments and donors. The result is that per capita agricultural production is now stagnant, in contrast to developments in other world regions. The continent has developed from a net food exporter to a net food importer; unadapted cultivation has led to large-scale degradation of soils and vegetation. It was not until the end of the 1990s that these undesirable developments came to be taken more seriously.

In 2001 the countries of Africa founded the New Partnership for Africa’s Development (NEPAD). NEPAD’s goal is to promote Africa’s economic growth by under-

taking efforts to improve governance and infrastructure in Africa. With the Comprehensive Africa Agriculture Development Programme (CAADP), agriculture has become one of NEPAD’s declared priorities. In adopting the CAADP as a policy, the countries of Africa have committed themselves to increasing agricultural expenditures to at least 10 % of national budgets with a view to raising agricultural sector growth to a level of 6 %. Based on four programmatic pillars, coordination through regional economic communities, and efforts to promote regional and continental learning processes, CAADP’s stated objective is to contribute to managing the substantive quality of national agricultural programmes. At the international level, CAADP is perceived as a key agricultural promotion programme in Africa – and both the G8 and the EU have, on numerous occasions, pledged their support for it.

Since May 2007, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), with the financial support of the German Ministry for Economic Cooperation and Development (BMZ) and in partnership with the International Food Policy Research



Institute (IFPRI), analyses the ways in which CAADP is integrated into national agricultural policy processes and what impacts it has on them. This involves analysing the implementation processes in two focus countries – Ghana and Kenya – and comparing them with other key agricultural policy processes in the past.

First results indicate that CAADP's objective and institutional arrangement are, in principle, highly reasonable and appropriate. As far as this complex issue is concerned, there is no international consensus on right and wrong approaches, and this points to the importance of the national and transnational exchange of information on lessons learned. A good number of individual problems can be solved only at the regional level, and they have often already been made part of regional integration processes.

However, despite its potentials, the results of CAADP thus far are not convincing. Little progress has been made in gaining appreciable influence on the agricultural policies of member countries. Strategy papers on the programmatic pillars have not yet been completed, and there has been little institutionalised exchange of experience.

Thus far only one country, Rwanda (2007), has concluded a so-called Compact. Systematic monitoring for all CAADP-related expenditures has not yet been achieved. But many countries have raised the budget shares earmarked for their agricultural ministries, and there has been some – although slow – progress in all issue areas.

To ensure that CAADP proves successful, four particularly relevant needs should be kept in mind: (1) improved communication and information on the nature and goals of and progress made on CAADP and more clear-cut definitions of the roles of actors at the continental, regional, and national level; (2) improved dovetailing of CAADP with ongoing agricultural sector reform processes at the national level; (3) improved integration of the agricultural sector into national reform processes; this would include the African Peer Review Mechanism (APRM), which monitors the framework conditions involved; and (4) more support by donors, who have thus far taken a wait-and-see stance, on the one hand on account of the weaknesses pointed to above, on the other for fear of jeopardising African ownership.

Africa is the world region faced with the greatest development challenges. Positive political and economic trends may be observed in many countries of Africa, including development towards multi-party systems or annual rates of continental economic growth amounting to around 5 percent since 2001. However, these positive trends are threatened by other developments, in particular as far as climate and the environment are concerned, but also by food prices that have been rising sharply since 2006. Certain political developments in Africa also give cause for concern, including e. g. the state crisis in Kenya. All told, though, the continent's undisputed positive developments will not prove sufficient to reach the MDGs by 2015.

The Africa Group of DIE takes an interdisciplinary, multi-focus approach in its research on Africa. Its work also includes provision of political consulting services to the German government on the development of its strategies at the country, regional, and continental level.



Those who want a
say in a matter need
to form a picture of
their own.

Photo: Robert Capa, War photographer during the Spanish Civil War, 1936

DIE's Excellence Programme and its Country Working Groups

The Postgraduate Training Programme of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is a core element of the institute's work. This excellence programme prepares young German professionals for a future career in German or International development cooperation by teaching them how to deal with strategic issues of global development and development policy. The programme can look back on quite a long tradition: It has now been in existence for 44 years, and over 800 persons have been trained in this period. Former trainees include Achim Steiner, United Nations Under-Secretary General and Executive Director of the UN Environment Programme (UNEP), Renate Schubert, professor for economic at the Swiss Federal Institute of Technology (ETH) in Zurich and a sought-after policy consultant at the interface between economic and environmental policy, and two out of three current Director-Generals at the German Ministry for Economic Cooperation and Development (BMZ).

Participants of the excellence programme are chosen from a large pool of candidates on the basis of a

competitive and comprehensive selection procedure. During the entire course of training, the DIE provides participants with extensive vocational counselling and support in finding career opportunities.

The Postgraduate Training Programme consists of a two-month plenary phase and a seven-month practical phase. The plenary phase focuses on global challenges, North-South relations and concepts of development policy. In the practical phase, four "Country Working Groups" (CWGs), each led by a member of the DIE's research staff, focus on specific development-related issues. During a three-month stay in a developing country, participants prepare an empirical study with relevance both to development research and development policy. As a rule, the CWGs work together with host-country partner institutions, including ministries, universities, or non-governmental organisations (NGOs). These activities lead in many cases to lasting partnerships that may prove important for later research cooperation.

The excellence programme is a good example of the DIE's tripartite approach, consisting of research,

Country Working Groups of the 43rd and 44th Courses

Biodiesel policies for rural development in **India**

Taxes, fiscal decentralisation and social cohesion in **Peru**

Investment climate and economic development in **Mozambique**

Energy efficiency in buildings: a contribution of **China** to mitigate climate change



Biofuel production in **Namibia**: Opportunities, threats and the institutional environment for rural development

Laos' accession to the WTO – implications for agricultural policy and agricultural exports

Sustainable dam development in **Turkey**

South Africa: An emerging provider of environmental innovations for Africa?

The Country Working Groups are the core of the Postgraduate Programme

In the Country Working Group I learned that ...

"apart from the concrete skills required, ability to work together with colleagues in a team is a factor crucial to the quality of results." Jens Pulkowski, currently with the KfW Bankengruppe, Frankfurt

"while successful teamwork is a hard job, it is also an exhilarating goal." Lena Bretas, currently with the German Federal Ministry for Economic Cooperation and Development (BMZ), Bonn

"far from seeking to avoid a conflict, a good team will join forces to resolve it." Nina Netzer, currently with Friedrich Ebert Stiftung, Bonn

For my later professional career ... *"the experience I gained during the Postgraduate Programme was especially useful, because it deepened my professional and personal qualifications in ways so specific and intensive that it would be difficult to imagine a university achieving a similar result." Lena Traub, currently with GOPA Consultants GmbH, Bad Homburg*

consulting, and training, with the institute's research staff feeding the findings of its research and consulting activities directly into the programme. At the same time, the CWGs are an important instrument to raise new issues and elaborate new consulting products.

Whenever necessary, DIE's Postgraduate Training Programme is adapted in order to cope with changing conditions and demands of development policy. The two-month plenary phase was last modified in 2007, giving more weight to environmental and governance issues as well as to the interplay between development policy and other external policies. The course nowadays is accompanied by a methodological module dealing in depth with the effectiveness of development cooperation as well as with various forms of policy advice. These changes can be seen as a reflection of the current public and academic debates, and of the issues international cooperation will have to face in the future. At the same time, they respond to the new structure of DIE's departments.

In connection with this reform, new world problems, including climate change, HIV/AIDS, and present shocks as the food crises or the world wide economic recession as a result of the global financial crisis, have been placed more firmly in the context of global governance and are thus now more closely con-

nected to the agenda of the Global Governance School.

Programme participants have always been expected to work intensively on improving their communication skills. Training therefore includes modules on moderation and presentation, on report writing, team building and conflict management. Frequent mutual feedback loops encourage participants to learn to accept criticism, but also to express appreciation and criticism in constructive ways with a view to the promotion of joint learning processes.

In addition to the features named above, good leadership includes a large measure of responsibility, creativity, and knowledge transmission skills. One aspect to which the DIE attaches great importance is that participants themselves contribute to shaping the programme's agenda, adding activities they consider important for their training. The programme also interacts intensively with the Global Governance School. This makes it possible for participants to place their newly acquired skills in an international context. Working contacts, which may develop into highly personal relationships, are fostered at joint events and functions as well as at the DIE Café. This professional and social networking is intended to facilitate cooperation in development policy in the course of the later careers of participants in both programmes.

Dialogue and Networking for Tomorrow's Leaders

World political developments like the soaring rates of economic growth reported for some countries of the South as well as constantly growing global challenges like climate change, the food crisis, AIDS, poverty, and violence clearly indicate that the time has come to restructure the architecture of global governance. The German Federal Ministry for Economic Cooperation and Development (BMZ) also sees partnerships with anchor countries as a pragmatic instrument for managing world-spanning problems and risks. What is called for to bring about the necessary innovations in global policymaking is new alliances with diverse actors. And if the arrangements agreed upon are to meet with broad acceptance and prove sustainable, it is essential to ensure that the processes leading to them are broadly participatory in nature.

With this in mind, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) in 2007 launched the Global Governance School GGS).

The school offers advanced training for young professionals from anchor countries. The GGS is the academic, research-oriented component of Managing Global Governance (MGG), a training and dialogue programme conducted jointly by DIE and InWEnt on behalf of the BMZ. The programme's target group are highly qualified young professionals active in government bodies, policy-oriented think tanks, and research institutions.

Other central components of the programme include the "International Futures" module conducted by the German Federal Foreign Office and a two-month practice and research sojourn with various German, European, or international institutions. In this phase the participants work on project studies devoted to a topic relevant to their home and guest institutions. The programme is rounded off by an optional German language course as well as by modules dedicated to training in interdisciplinary competencies.

Due to their growing economic importance, anchor countries play an increasingly important role in their regions and in the shaping of globalisation processes. What has been tested in the pilot phase is meant to become a regular com-

ponent of future courses: In order to enable participants to enter into a dialogue with European peers, the implementing organisations seek to integrate up to three young professionals from Germany/Europe on a regular basis.



The MGG Program has two overarching goals: qualification of young professionals as a contribution to building partner country capacities with a view to supporting their efforts to engage more effectively in shaping globalisation processes as well as in implementing national reform policies and reducing poverty. At the same time, the programme is designed to support networking between Germany/Europe and the participating countries. The aim is to build stable, strategic partnerships on equal terms as an instrument in meeting global challenges.

The GGS builds on existing participant skills and competence. The point of orientation here is the skills profile of a “global governance leader” capable of perceiving future challenges and opportunities and turning them to account by developing sustainable approaches and solutions. To this end, the course is geared to the acquisition of key knowledge and competencies, including e. g. analytical skills and know-

how regarding the use of participatory methods, which is practiced in training exercises based on role-play. The training programme centres on developing a shared vision of good “global governance” that includes space for different interests and views.

The GGS serves as a forum for critical discussion and analysis of the key issues, instruments, and actors of global governance – with special focus on development cooperation. The curriculum is geared to a broad dialogue among the participants themselves as well as with German and European experts from the fields of science and scholarship, politics, and civil society. It is also designed to take a critical look at German and European perspectives as well as the perspectives of partner countries.

The participants are actively involved in the implementation of the curriculum, assuming responsibility for the preparation of seminars, moderating panel discussions, shaping them in substantive terms by

providing inputs of their own, or working independently in small groups. The thematic focuses include world trade, the international financial architecture, development policy, poverty reduction, global environmental policy and climate change, international law, and migration.

A course with young professionals from seven countries necessarily implies a need to integrate different approaches and expectations both *per se* and with regard to the group as a whole, and it also calls for efforts to direct conflicts that may emerge into constructive channels. In this way different views on issues like the universality of individual human rights, freedom, and democracy are expected to lead to an interesting and stimulating intellectual discourse on substantive and terminological questions. It is above all these discussions that highlight the heterogeneity of course participants and their – at times necessarily controversial – views.

Special emphasis is placed on a combination of sound academic training and examples drawn from actual practice. Theoretical approaches are always dealt with in connection with the concrete making and implementation of policy. Excursions to Geneva and Brussels serve to provide participants with a working knowledge of European and international governance institutions and the ways in which they work. The external evaluators who review the programme on an ongoing basis emphasise that the manner in which the course combines academic training and networking on the one hand and theory and practice on the other is unique among programmes with a similar orientation.

In parallel to the programme, efforts have also been undertaken to build a long-term, strategic research cooperation with the partner organisations, referred to as the “Global Governance Research Network”. This cooperation extends from conferences

Quotes from GGS participants

“I only argued from Brazil’s perspective until now. Here I learned to recognise the views of other countries.” **Jana de Macêdo, Secretariat of the Economic and Social Development Council (CDES), Brazil**

“GGS gives me a broader and brand-new vision and insight on global issues.” **Yuan Wu, Chinese Academy of Social Sciences**

“DIE’s hospitality, policy-oriented research, and dynamic academic activities made our stay fruitful.” **Niu Haibin, Shanghai Institute for International Studies, China**

“Taking part in the MGG programme represented a great opportunity to exchange perspectives on global issues among participants from very diverse backgrounds. It was also a unique experience that allowed us to learn from the German and European views on Global Governance.” **Giuliana Bruno, Instituto Ethos, Brazil**

“We, i. e. the emerging economies, the large ones, must not only pursue our own interests but also communicate with the other countries in our respective regions and ensure the incorporation of their interests as well.” **Archna Negi, Jawaharlal Nehru University, India**

and joint publications to an exchange of guest scholars and efforts to engage leading scholars and leaders of partner organisations as teachers at the GGS.

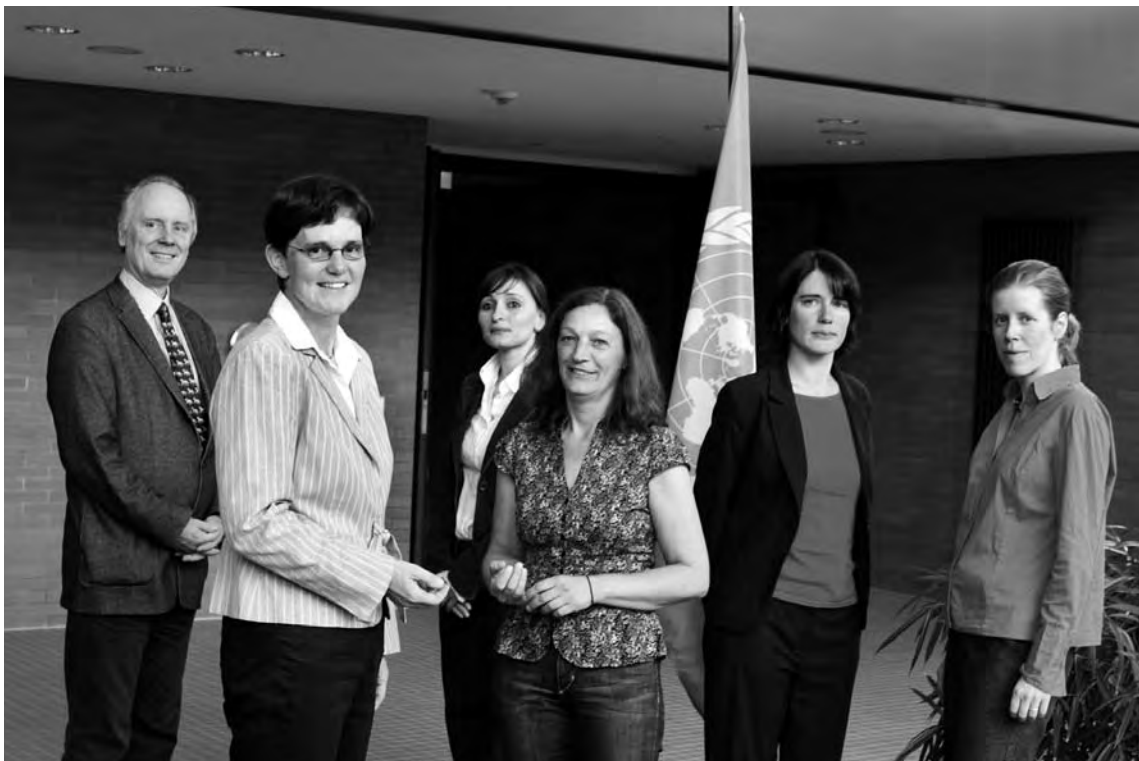
One aim of this research cooperation is to further strengthen the programme's dialogue character by setting the stage for dialogue at different levels – with young professionals as course participants and with

leaders as resource persons. Evaluation workshops and workshops with partner institutions, held on a regular basis, further serve to underline the innovative, dialogue-oriented approach adopted by MGG. Thus joint efforts are made to further develop programme components and adapt them precisely to the needs of all sides involved.

Global Governance School

With its Global Governance School (GGS), the German Development Institute offers advanced training for young professionals from anchor countries. The participants deal with the key questions, instruments

and actors of global governance – with special focus on international development cooperation. Per year, the DIE offers two two-month GGS courses in the framework of the Managing Global Governance programme.



UN-Campus Bonn, former parliamentarian building "Langer Eugen"

It takes courage
and the power
of persuasion to
stand one's ground.

Photo: Wangari Maathai, Professor and environmentalist from Kenya,
in 2004 first African woman to win the Nobel Peace Prize



Organisational and Personnel Development

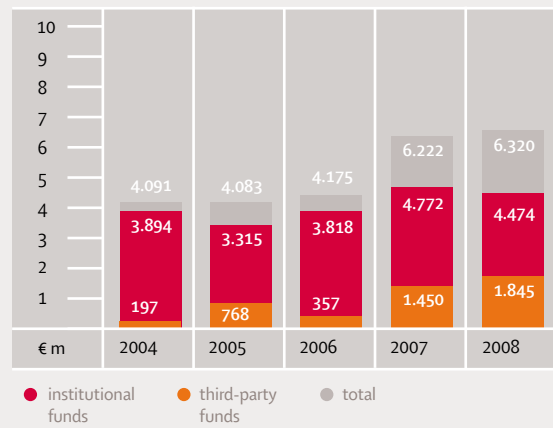
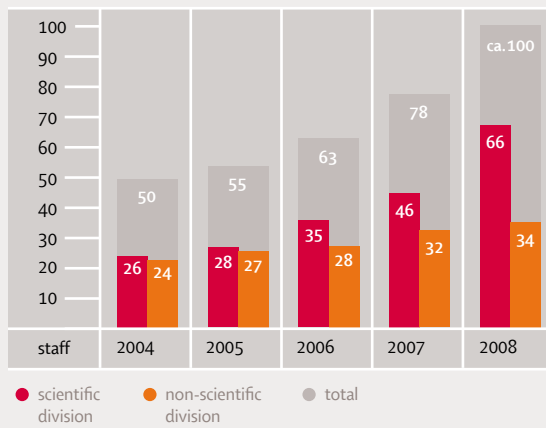
In the past two years the internationalisation and networking of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) has been accompanied by a process of substantial growth that, while opening up new opportunities for the institute, has at the same time confronted it with major challenges in terms of organisation and personnel. In 2007, the DIE started out the year with a staff of 63 persons. In December 2008 the institute's staff has risen to a figure of almost 100 people, over two thirds of them researchers. The DIE's research staff grew in the same period from 23 to roughly 65 persons.

This has given a new relevance to personnel development and human resources development strategies, which have become an increasingly important task for the institute's management. New staff mem-

bers are acquired on the basis of national and international selection procedures. The factors that have gone into the making of selection decisions have included: excellent professional qualifications, social skills and the ability to work in teams, both of which are indispensable for the institute's work in intercultural contexts. The institute uses individualised staff interviews as a human resources management tool with a view to supporting and accompanying and supporting the personal development of its research and non-research staff. Proceeding on this basis, the institute's staff is provided further training by internal and external trainers in fields important to developing modern research, consulting, and training skills and performance, including team building, report writing, and time management.

The DIE was faced with the huge organisational

Staff Numbers and financial development 2004 – 2008



The DIE's complete annual financial statement, prepared in accordance with the rules in effect for major corporations, and including its balance, a profit- and loss statement, an annex, and the institute's

bookkeeping and management report, has been examined and certified by the *Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft* in Cologne.

task of coming to effective terms, in a brief period of time, with a substantially enlarged staff, without compromising the institute's traditionally high quality standards. At the same time, a good number of new staff members needed to be integrated into the DIE's structures, and this called for considerable patience, cooperativeness, and professional and personal engagement on the part of the institute's existing staff. In addition, it soon became clear that the time had come to question established routines and to adapt them to the new circumstances. The clear-cut orientation of the DIE's work to the excellence criteria of the international research community proved helpful in supporting this process.

These efforts to strengthen the institute's research activities have also led to changes in the DIE's non-research areas, which continue to be tasked with pro-

viding optimal support for the work of the institute's research staff. The process of substantial enlargement of the DIE, based in large part on third-party funding, called for efficient project management on the part of the institute's administrative staff. In addition, the DIE's move to new premises in 2007 provided the institute with the new and technically sophisticated infrastructure needed to organise public and non-public events and meetings at a high level. The DIE took the opportunity, and since then it has organised a good number of national and international conferences and meetings. By strengthening its media and public relations department, DIE has also succeeded in giving the broad public a better understanding of DIE's work.

Together with its staff members, the DIE has squarely faced the challenges posed by the process of institute growth.



The Non-Scientific Department
The sculpture "Frauen der Formation" 1986–2006, Bonn.

Without outstanding methods, there are no excellent outcomes.



Studies

2008

Richerzhagen, Carmen et al.

Energy efficiency in buildings in China: policies, barriers and opportunities

Studies 41

Lundsgaarde, Erik

Building long-term scenarios for development: the methodological state of the art with an application to foreign direct investment in Africa

Studies 40

Kosow, Hannah / Robert Gaßner

Methods of future and scenario analysis: overview, assessment, and selection criteria

Studies 39

Klingebl, Stephan et al.

Donor contributions to the strengthening of the African peace and security architecture

Studies 38

Brüntrup, Michael et al.

Monitoring economic partnership agreements : inputs to the negotiations and beyond

Studies 37

Brüntrup, Michael et al.

Politique commerciale et développement agricole au Sénégal: les enjeux de la politique d'importation pour certains secteurs agricoles face aux accords sur le commerce international

Studies 36

Vatterodt, Martina

The implementation of the Paris Declaration on aid effectiveness by the United Nations: progress to date and need for further reforms

Studies 35

Liebig, Klaus et al.

Municipal borrowing for Infrastructure service delivery in South Africa – a critical review

Studies 34

Faust, Jörg et al.

Political fragmentation, decentralization and development cooperation: Ecuador in the Latin American context

Studies 33

Scheumann, Waltina / Elke Herrfahrdt-Pähle / Marianne Alker

Conceptualizing cooperation on Africa's transboundary groundwater

Studies 32

2007

Vatterodt, Martina

Die Umsetzung der Paris-Erklärung zur Wirksamkeit der Entwicklungszusammenarbeit durch die Vereinten Nationen: Stand und weiterer Reformbedarf

Studies 31

Loewe, Markus et al.

The impact of favouritism on the business climate: a study on Wasta in Jordan

Studies 30

Grävingsholt, Jörn / Claudia Hofmann/Stephan Klingebiel

Development cooperation and non-state armed groups

Studies 29

Leiderer, Stefan et al.

Public financial management for PRSP implementation in Malawi: formal and informal PFM institutions in a decentralising system

Studies 28

Altenburg, Tilman

From project to policy reform: experiences of German development cooperation

Studies 27

Chahoud, Tatjana et al.

Corporate social and environmental responsibility in India – assessing the UN global compact's role

Studies 26

Horlemann, Lena / Susanne Neubert

Virtual water trade: a realistic concept for resolving the water crisis

Studies 25

Grävingsholt, Jörn / Hofmann, Claudia / Klingebiel, Stephan

Entwicklungszusammenarbeit im Umgang mit nichtstaatlichen Gewaltakteuren

Studies 24

Discussion Paper

2008

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The impact of Russia on governance structures in Ukraine
Discussion Paper 24/2008

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Discussion Paper 23/2008

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Discussion Paper 18/2008

Stamm, Andreas

Development studies – development research: Germany's position in international perspective
Discussion Paper 17/2008

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Discussion Paper 12/2008

Grimm, Sven

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Discussion Paper 10/2008

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Discussion Paper 9/2008

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Loewe, Markus

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Discussion Paper 1/2008

2007

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Die Rolle Mexikos in der globalen Strukturpolitik

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Müller, Inga

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Discussion Paper 13/2007

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Those who tackle
global issues need
to be familiar with
the local contexts
involved.

Photo: Chico Mendes, Rubber feeder, environmentalist and unionist, who fought for the Amazon rain forest and was assassinated in 1988 by a rancher

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