

# The Federal Ministry for Economic Cooperation and Development (BMZ)

**Germany joins partners worldwide** to reduce poverty, to build peace and to promote equitable forms of globalisation. Development partners help to resolve crises and conflicts in a peaceful manner and to ensure that scarce resources are more equitably shared. These partners are working for a preservation of our environment for future generations and poverty reduction. In order to achieve these goals, development partners usually work at several levels and in different thematic areas. It is obvious that foreign, trade, security policies and development cooperation are today very closely inter-linked. Thus, the mandate of the Federal Ministry for Economic Cooperation and Development is wide and varied.

## Setting the basic principles of German development policy

**The BMZ defines the long-term strategies** for cooperation with the various partners involved, and defines the rules to implement the strategies. On these foundations, joint programmes are launched with partner countries and at international level. All these are subject to the imperatives of the United Nations Millennium Development Goals, which ambitiously aim to halve poverty in the world by 2015. The contribution of the German Government to realising these goals is enclosed in its cross-departmental Program of Action 2015, which is being implemented under the aegis of the BMZ.

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**This millennium will belong to the cities** of our world. The city fascinates people due to its urban life and better economic opportunities. Nevertheless, city life has also its downside.

**Poverty in developing countries** is on the increase in urban areas. Half of the world's poor already live in cities and worldwide 925 million people in slums. In developing countries they account for 43 percent of the urban population on average, while the figure can be as high as 78 percent in the least developed countries.

**Slums are the most visible manifestation** of urban poverty: poor housing, the lack of access to urban infrastructure and services, overcrowding and high density, hazardous locations, daily violence, stigma and social exclusion.

**Hence, success or failure** in reaching the UN Millennium Development Goals will predominantly be decided in the cities, particularly in their informal settlements and slums.

Therefore the international community and development partners should give greater priority to cities.

**Putting sustainability into practice** is one of the greatest challenges facing the urban millennium. Sustainable urban development engages in civil participation, opens new scope for the economy and employment, helps to improve living conditions that have often become unbearable.



## The Challenge of the Urban Millennium

Urban Issues in  
German Development Cooperation

## Urban issues in Development Cooperation are cross-cutting topics!

**Interventions for better urban development** focus on the one hand on the improvement of urban administrations and their outputs and on the other hand on the upgrade of urban public service delivery. Presently, around 80 projects and programmes in over 29 partner countries are implemented to improve cities administrations with support of the BMZ.

**Programmes in urban settings** focused on BMZ priority issues such as the promotion of Democracy and Civil society, Water and Sanitation, Economic Development and Environment, incorporate urban issues in their approach. Urban development is therefore in most of these cases a cross-cutting issue. Urban development programmes of the last 30 years focused on two main approaches to improve urban services:

- capacity development in various fields of urban management to implement poverty-oriented programmes;
- financing (also developing new finance facilities) of urban infrastructure and services.



**Main areas** of urban development programmes are:

- upgrading of administrative and management capacities and institutions
- demand oriented improvement of urban infrastructure
- promotion of good urban governance (new forms of participation and co-operation with the civil society and the private sector; application of accountable procedures such as tendering and awarding of contracts)
- integration of environmental issues in planning and longterm development concepts
- assessment of programme impacts on target groups, differentiated by gender.

## German Development Cooperation

**Together with its development partners** worldwide the Federal Ministry for Economic Cooperation and Development (BMZ) develops the guidelines and the policies on which German development policy is based. Its implementing agencies put these policies into practice.

**The agencies** of bilateral German development cooperation include the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the KfW-Bankengruppe, Internationale Weiterbildung und Entwicklung (InWEnt) and the Deutsche Entwicklungsdienst (DED).

**The tasks** of these organisations include:

- Implementing financial and technical cooperation programmes.
- Seconding experts and volunteers
- Providing vocational and other training and skill upgrading for specialists and executives of partner countries



**The agencies have developed** highly specialised skills and cooperate in their work in partner countries.

**They cooperate** with local agencies nominated by the government of the partner country for the implementation of joint development programmes.

**BMZ also provides** funds and support to the work of a large number of non-governmental organisations (NGOs) such as church organisations, political foundations and other private bodies.

## Cooperation with global initiatives – Cities Alliance

**Germany plays an active role** in the Cities Alliance. Launched by the World Bank and the United Nations Center for Human Settlements (UN Habitat) in 1999, this global alliance of cities and development partners promotes new tools, practical approaches and knowledge sharing for broad-based urban poverty reduction.