

German Development
Institute
Deutsches Institut für
Entwicklungspolitik (DIE)

Annual Report 2009–2010

### Annual Report 2009-2010

Building bridges between research and practice

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The beginning of the first decade of the new century was marked by the attacks of 11 September 2001 and its end by the Climate Conference in Copenhagen in 2009 and the Millennium Summit in New York in 2010. It is the global issues of the future that will shape the 21st century. Only if international cooperation succeeds will it be possible to capitalise on the many opportunities globalisation affords – otherwise crises will multiply across the world at ever greater speed via global chains of interdependence.

Over the past decade the well-known North-South models have been breaking up at an ever faster pace. Large parts of the developing world are growing. They are modernising their infrastructure, investing in education and health, and improving their institutions. Official development assistance (ODA) – as development cooperation is still known – is becoming less and less attractive for many countries. The term itself calls to mind the post-colonial shadows of the past and dependency on the financial and knowledge poles the so-called rich countries represented. But it is China that now holds the world's largest foreign currency reserves, and universities in the merging economies are rapidly becoming more attractive.



Development cooperation definitely has to free itself of its "aid image" so as to become more attractive for these modernising developing countries. The focus must now be on common interests and cooperation at eye level - in Africa too. For that to happen, much greater importance must be attached than has been the case in the past to private-sector and technological/scientific cooperation, to ownership, independent performance reviews of cooperation, to focusing on new forms of inequality in developing countries and industrialised nations, and to common approaches to shaping the international framework conditions. This reorientation has in principle been set out in the Paris and Accra process on aid effectiveness. But outdated patterns of speech, thought and action that no longer fit the new realities are still prevalent in many areas of the "aid industry".

Some 30 countries still have a long way to go if they want to meet the Millennium Development Goals (MDGs) by 2015. Most of them are conflict or post-conflict societies and weak or failing states. Lack of security, bad governance and "hard poverty" are moving ever closer together. At the same time

left:

### **Dirk Messner**

Director

right:

### **Imme Scholz**

**Deputy Director** 

many of these societies have abundant resources, which furthers conflict, corruption and state failure. Previous approaches to stabilising this group of countries have not met with much success. The big issues of the future include working out how security, development and resource policies need to interact in each specific case to stop states failing, to open up development opportunities and thus make progress on international stability.

While many developing countries are making economic and social progress, the conclusions to which those in the natural and climate sciences are coming indicate ever more clearly the planetary boundaries of our earth system. The fact that western patterns of consumption and production cannot be universalised already became apparent back in 1992 in the run-up to the Rio Earth Summit. Now it is becoming clear that resource efficiency, the introduction of a circular recycling economy and climate-friendly growth are the key global economic challenges for the 21st century. Food security, energy production, industrial growth and urbanisation need to be structured in such a way as to take

account of the increasingly narrow ecological boundaries of the earth system, and they need to be decoupled from the use of fossil fuels. That will not be possible without more impetus for international cooperation and new incentive systems to increase resource efficiency.

Solutions to these global issues of the future are elaborated at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). In recent years the Institute has expanded its global research and consultancy networks and entered into strategic partnerships. European knowledge for European development policy is pooled within the European Think-Tanks Group, which was founded in 2010. The DIE cooperates within the Global Governance Research Network to back discussions within the G20 on global development issues. The Institute is actively supported in this by its shareholders (the Federal Republic of Germany and the federal state of North Rhine-Westphalia) and by its Board of Trustees. We would like to take this opportunity to thank them all for their continued support.



**Dirk Niebel**Federal Minister for Economic Cooperation and Development

Germany's development policy unites values and interests, freedom and responsibility. It centres on people, on their potential and needs. Development policy can only be said to be successful if the living conditions of people in our partner countries truly improve. This is why our work's effectiveness and visibility are pivotal.

With a view to enhancing effectiveness and visibility, we have intensified our cooperation with the private sector and with civil society, because change always needs to emerge from the heart of society. By reforming our Technical Cooperation, we have made our development policy more focused and taken an important step toward making Germany's development cooperation an "export success". We are working toward coherence between foreign, development, and foreign trade policies and toward improved division of labour among donors in line with the Accra and Paris documents. And we have been strengthening our communications work so as to make the public more aware of our development cooperation.

That cooperation focuses on education, health, rural development, good governance, and sustainable economic development. The guiding principle in all efforts is the protection of human rights.

In implementing these priorities, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), which was founded in 1964 at Walter Scheel's initiative, has been a reliable and competent partner for us. We are proud to have an institute of such outstanding reputation in Germany, which is considered one of the world's ten most influential development think tanks. The present Annual Report provides an impressive reflection of the broad range of research and consultancy issues addressed by the DIE. The Institute's capacity to respond to new development challenges and to identify issues that will become relevant for the future is particularly valuable for our political work. Thanks to the fruitful combination of its three areas of activity - research, consulting, and training - the DIE is in a good position to provide us with consultancy as we refocus our policies.

If you want to pursue new avenues, you require dynamism. The DIE stands for that kind of dynamism. The remarkable increase in academic staff over the past few years and the Institute's systematic international approach are evidence of that. International networking is of particular importance, as we have reached a point where development challenges are always also challenges for our global future. One such global challenge is climate change, which affects developing countries very much. This means that adaptation to climate change is a central issue in our development cooperation, and one on which we have benefited from the DIE's expert advice for quite a few years now. Emerging economies in particular have been interested in German consultancy on climate-friendly economic growth and on the dissemination of new low-emission technologies.

With a view to making our development work even more effective, we have been attaching increased importance to evaluation and impact measurement. This is an area where the DIE has provided special support. Through its groundbreaking research work, the Institute has fostered the effectiveness debate in Germany.

I am pleased that the Institute has succeeded, together with us, in attracting a large number of participants to the NONIE Meeting (*Network of Networks for Impact Evaluation*) held in Bonn on 29–30 March 2010. The conference, which focused on governance projects, gave staff from evaluation units an opportunity to learn from each other and brought Germany's relevant activities to the attention of an international audience.

Another area in which the DIE has been doing impressive work is training for young professionals to prepare them for working at German and international development institutions. This relates, of course, to the DIE's Postgraduate Programme, but also to its Global Governance School, which highlights the Institute's international and innovative approach.

The DIE seeks to link theoretical and practical work. This Annual Report can serve as such a link between theoretical and practical work, between development policymakers and the public. I hope that it may find many readers and strengthen people's awareness of global development challenges.



### Angelica Schwall-Düren

Minister for Federal Affairs, Europe and the Media of the State of North Rhine-Westphalia

When the United Nations met in New York in September 2010 to take stock of progress made on the Millennium Development Goals (MDGs) over the past ten years, it became clear that only a few of the goals will be fully achieved by 2015. We cannot be satisfied with that result, which is why I welcome the fact that the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) will continue to focus on the challenges the international community is facing on the road to 2015 and beyond. The goal is still to make our world a fairer, more peaceful, more ecological and more economically sustainable place.

The government of North Rhine-Westphalia has likewise pledged to work towards achieving the UN's MDGs in the fight against hunger, poverty and suffering in the world.

We are pleased that the DIE has been based in the City of Bonn for 10 years now. We will continue to promote the city's development as a location for international cooperation. The only city in Germany with a UN site, Bonn has developed into a forward-looking business and research centre. Our aim is to strengthen the links between these international institutions and federal state policy.

In all that we do in the field of development policy our intention is to take on our responsibility for sustainable global development and, in view of the growing global linkages and the huge growth potentials in many developing countries, to safeguard our own future at the same time. Our contribution to development policy is not intended to be in competition with but rather as complementary to national measures.

In a 2008 resolution the Minister Presidents of the German federal states wrote: "The federal states' multifarious development policy activities not only demonstrate that they are taking responsibility for sustainable global development, they are also safeguarding their own social and economic future."

The 2nd Bonn Conference on International Development Policy was held in 2009, proof that the government of North Rhine-Westphalia has been able, within a short space of time, to create a format that is both unique in Germany and also has international reach. The conference takes place every two years and addresses current development policy issues. Sub-Saharan Africa, North Rhine-Westphalia's priority

region for development cooperation, and our new cooperation with Ghana have an important role to play. The DIE is a tried and tested and competent partner when it comes to organising the conference as well as implementing other development policy measures funded by North Rhine-Westphalia.

The DIE's research, consulting and training activities and the interplay between the three mean its staff are in an ongoing capacity building process. The DIE analyses global issues relating to the future – poverty reduction, fair global trade, adapting to climate change, funding development and good governance – and makes the results available to a broad public. Underpinning its PR work with regular publications such as "The Current Column" and "Briefing Papers" is the right way to get young people and students interested in the issue of a more just and social world order.

The DIE's Global Governance School establishes important networks and links to emerging economies such as Brazil, South Africa, India and China that are also important for North Rhine-Westphalia's international relations.

This Annual Report documents in detail the DIE's broad range of activities. It demonstrates the high quality of the Institute's work and shows clearly why it is regarded as one of the world's top 10 development policy think tanks. I would like to thank the staff of the DIE for their commitment over the past two years and hope the Annual Report finds many interested readers.

# Symbiosis Interdependence Individuality Unique Sustainability

The sculpture "Espaliered Girl" by the English artist Laura Ford was part of the exhibition "Natur. Zeitgenössische Kunst aus der Altana Kunstsammlung" at the Frieder Burda Museum in Baden-Baden (2009).



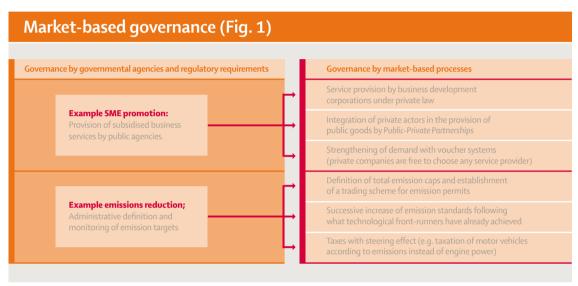
### New governance systems for market economies

When the Soviet Union collapsed, the market economy asserted itself as the superior governance system practically the world over. Government economic planning had already started to beat a retreat in developing countries in the early 1980s. Previous attempts by protectionist developmental states to speed up the development of national industries had failed, with but a few exceptions, and had left behind huge budget and balance of trade deficits. The failure of these planned economy experiments made it clear that close political regulation of the economy in most cases leads to inefficient allocation of resources. In many areas the market, a "process of discovery", is better suited to finding new solutions.

Nevertheless, in recent years the calls to actively shape markets have been getting louder again. Three developments have been of key importance in that respect:

1. The current financial and economic crisis. Since the 1970s the international financial markets have been progressively deregulated. Private credit rating agencies took over risk assessment for complex financial products. The agencies underestimated the actual risks - no doubt also because given that they were advising the banks they were also making money from the increasing spread of risky credit transactions. The collapse of Lehman Brothers led to a crisis of trust that unleashed a devastating domino effect on the global economy. Today, there is general agreement that the international financial markets need greater regulation. Even the International Monetary Fund (IMF) has revised its radically free market position when it comes to the issue of regulating capital flows, allowing developing countries to intervene and above all to regulate short-term capital flows.

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) investigates how



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

developing countries can better protect themselves against the volatility of global financial flows. Even before the crisis erupted the DIE and InWEnt (Capacity Building International, Germany) launched a series of international conferences on behalf of the German Ministry for Economic Cooperation and Development (BMZ) that dealt with the development and regulation of financial markets. The conferences were attended by decision-makers and academics from across Europe and the emerging economies China, India, Brazil, Mexico and South Africa. The aim was to use informal dialogues to create a better understanding for partners' points of view.

2. The global climate crisis. The only way we will manage to make the much-needed transition to a non-fossil fuel global economy will be by applying the "polluter pays" principle. As well as "factoring in" emissions costs, for example through carbon taxes and emissions trading, it is important to use public funding

to speed up the development and diffusion of resource-saving technologies. Here, too, the market fails to allocate resources adequately, since individual investors are never able to fully appropriate the returns on their investments in research and development. And so private-sector investment falls well below the optimum from a welfare point of view. In the field of climate protection the DIE compares the climate policy models of the largest and most rapidly developing emerging economies with those adopted in Europe. It investigates what incentives these countries are using to cut emissions and reduce the consumption of resources, as well as what Europe and these countries can learn from each other when it comes to ecological industrial policy instruments.

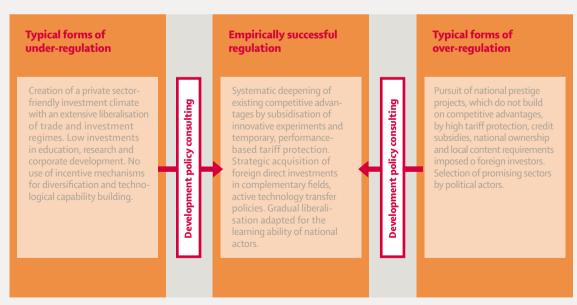
3. Experience with catch-up economic development. Technological latecomers are at a disadvantage because they are up against well-established competitors who are already benefiting from economies of

scale, network synergies and their brand image. In view of this disparity in competences, only few enterprises in latecomer countries can stay in the running. Coordinated incentives are needed so that all those competences that are needed to make a new industry competitive can develop at the same pace. By linking entrepreneurial initiatives with targeted industrial policy incentives, countries like South Korea, Taiwan, Singapore and most recently China have managed to reduce the productivity gap vis-à-vis rich industrialised nations. Furthermore, catch-up economic development generally goes hand in hand with growing inequality. In order for the population to broadly benefit from economic modernisation, public funding needs to be used to promote poor social groups so that they can catch up and integrate into the economy.

With a view to catch-up economic development the DIE compared industrial policy, among other things, in eight poorer countries in sub-Saharan Africa, the Arab world and East Asia. The study focused on how much industrial policy is sensible if on the one hand public outlays and coordination are urgently needed but, on the other hand, the implementing capacity is weak, there are no checks and balances, and lobby groups are exploiting economic policy instruments for their own purposes. The work shows how initially weak policies can be gradually strengthened, for example by means of more competition among service providers, transparent eligibility criteria, systematic impact assessments and accountability to customers.

The search for new governance mechanisms to shape incomplete markets based on the welfare principle is thus the leitmotif in the DIE's research and consultancy work. Governance models are needed that inspire creativity in the market-led search processes but at the same time steer that search in the direction society wants it to take.

### Over- and under-regulation of economic structural change (Fig. 2)



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Strategies for regulating market processes must be country-specific. Blueprints adopted from industrialised nations are of little help. When markets are running more smoothly, fewer corrective regulatory measures are necessary. Also, the level of government effectiveness varies considerably. Herein lies the big challenge for development cooperation: Partner countries need support in finding the best

combination of market-based allocation and government regulation given the respective context and in strengthening the relevant institutional framework. The DIE helps to generate the necessary know-how based on its applied and comparative development research by conducting its own empirical research and through involvement in international discourses.

### **Tilman Altenburg**

Tilman Altenburg, PhD, is an economic geographer and Head of the Department "Competitiveness and Social Development". His research focuses on socially

inclusive approaches for catch-up development. This includes work on clusters, value chains and innovation systems in developing countries.

Market Economy
Country-specific Comparative Development Research
Financial and Economic Crisis
Political Regulation
Developmental State
Climate Crisis

Country-specific Comparative Development Research
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Developmental State
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Country-specific Comparative Development Research
Political Regulation
Developmental State
Climate Crisis

Country-specific Comparative Development Research
Political Regulation

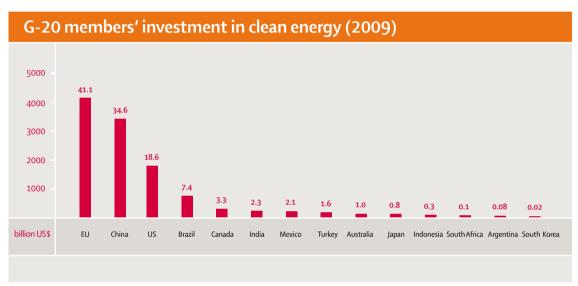
## Global partnerships for low carbon development

Environmental scientists, energy experts and relevant enterprises assure us that the technological solutions needed for low carbon development are already available. This is good news as it implies that - at least technically – it is possible to prevent global warming beyond the 2°C threshold. But what does 'availability' of climate change mitigation technologies actually mean in the context of developing countries? The mere fact that relevant technologies have been developed by some enterprises or laboratories does not quarantee their diffusion and application. This is true for industrialised countries and even more so for developing countries. In order to mitigate climate change within the short time frame left for doing so, low carbon technologies have to be rolled out much faster than they are currently.

Against this background, research by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) analyses factors that hinder the

deployment of climate change mitigation technologies in developing countries from different angles and theoretical perspectives. These include economic and institutional challenges associated with the transition towards a low carbon economy, immature innovation systems, trade and investment barriers and intellectual property rights (IPR) issues. Understanding these barriers is important to create or enhance global partnerships for low carbon development.

Investment in climate change mitigation technologies is often deemed to be costly, both directly, in terms of the funds needed, and indirectly in terms of the opportunity costs expected for economic development. Due to a lack of technological capacity and knowledge in low carbon technologies, developing countries often resort to 'traditional' and, at least in the short run, seemingly cheaper sources of energy like coal plants. Technology transfer could ease this dilemma, but the transfer of existing climate friendly technolo-



Source: "G-20 Clean Energy Factbook 2010: Who's Winning the Clean Energy Race? Growth, Competition and Opportunity in the World's Largest Economies"

gies for energy supply, mobility and industrial development across countries is not trivial. Innovation system research stresses the importance of the co-evolution of economic, social, political and technological aspects of innovation. Transfer of low carbon technologies, even at zero cost, would not ensure their widespread application in developing countries: The relevant knowledge for new technologies may not be available and grid compatibility difficult to establish.

DIE country studies on the challenges of energy transition for the coal-based economies of South Africa, by Andreas Stamm and Anna Pegels, India, by Tilman Altenburg, and China, by Doris Fischer, emphasise the key role of domestic factors such as energy innovation systems, institutional environment, inherent power structures and lack of human resources in low carbon technologies. Pointing out the limitations of 'technology transfer' is not to deny the principal responsibility of industrialised countries to support

developing countries in their mitigation and adaptation policies. Rather, it curbs over-optimistic expectations that such a transfer could be an easy solution if industrialised economies were willing to bear the costs. The case of China, being a market leader in PV cell production with low rates of PV energy installation, shows that availability does not equal deployment of technologies.

Global partnerships for low carbon development should focus on the necessary institutional environment, human resources, innovation capacities and the mobilisation of private sector investment to make low carbon development feasible and long lasting. DIE research by Clara Brandi and Anna Pegels questions the role of IPRs, namely patents, as crucial barriers to the transfer of the majority of renewable energy technologies. While developed countries argue that IPRs are key to fostering innovation, many developing countries argue that the protection of IPRs and the resulting

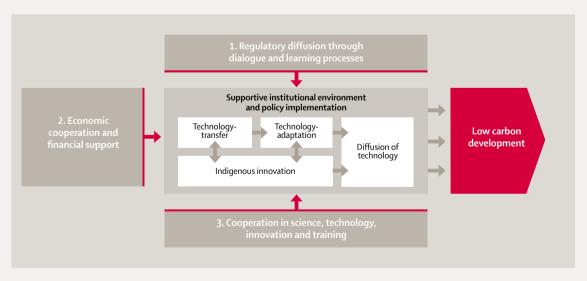
additional costs, such as licence fees, impede widespread use of the relevant technologies. DIE research underlines the importance of open trade channels and the absorptive capacity of the host country.

In addition to the social and economic conditions within a country, barriers to cross-border trade and investment flows can also prevent the diffusion of low carbon technologies. Clara Brandi therefore focuses on the linkages between international trade and climate policies with regard to a transition towards a global low carbon economy. There are a number of 'climate-positive' reasons for exploring synergies and aligning policies that could stimulate production, trade and investment in cleaner technology options, including the elimination of trade barriers for products and services that can enhance energy efficiency or reduce greenhouse gas emissions. While recent policy debates indicate a propensity to view trade measures as 'sticks' in global climate negotiations, DIE research indicates

that a focus on 'carrots' such as technology transfer, combined with assistance for building absorptive capacity, is more promising and will be essential to foster the transformation towards a sustainable global economy.

The often fierce debates surrounding trade and transfer of low carbon technologies result from a growing understanding that these may become the core technologies that will define competitiveness and economic power in the 21st century. National governments of the industrialised world and fast developing countries such as China are increasingly willing to support the idea of a green economy and sustainability-oriented innovation systems. Thus, while the tremendous challenge of climate change calls for global cooperation in science, technology and innovation, perceived economic rivalry at times results in policies that cement more protectionist approaches. Together with research institutions in Europe and China, a DIE

### Dimensions of global partnerships for low carbon development



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

research project under the leadership of Doris Fischer analyses multi-level governance in climate change and energy policies and their interrelation with global value chains and business interests. In addition to developing policy recommendations for managing potential cooperation and conflict, DIE has assessed the implications of global energy and environmental scenarios for

policy for a transition to a low carbon future. The analysis suggests that knowledge contained in exercises such as the UN Millennium Ecosystem Assessment and scenarios developed by the International Energy Agency should be made more accessible to a wider audience in the service of moving towards a sustainable global economy.

### Clara Brandi and Doris Fischer

Clara Brandi, PhD, is an economist and political scientist in the Department "World Economy and Development Financing". Her main research interests include global economic governance and trade and climate change. Doris Fischer, PhD, is an economist

and China expert in the Department "Competitiveness and Social Development". Her main research interests include innovation systems and energy sector developments in the context of sustainable and low carbon development.

Climate Change
Low-carbon Development
Innovation Systems
Renewable Energy Sources Patents India
Technology Transfer
China South Africa

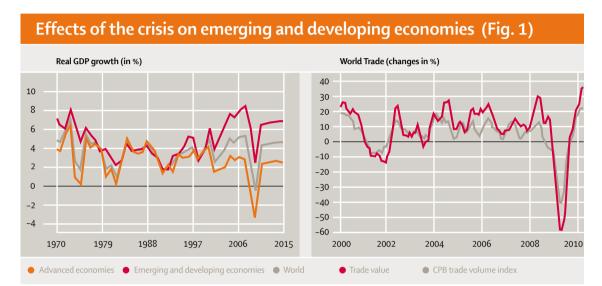
### The financial crisis: consequences and solutions for developing countries and emerging economies

Since the collapse of Lehman Brothers in September 2008 the financial crisis has become one of the dominant issues on the political agenda. The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) reacted quickly and published expert reports on the short-, medium- and long-term consequences of the crisis for developing countries, emerging economies and global economic governance. In numerous articles, interviews, speeches and conferences DIE staff members (in particular Dirk Messner, Peter Wolff, Kathrin Berensmann, Ulrich Volz and Markus Loewe) have analysed the causes of the crisis and its transmission channels, and have drawn up policy recommendations for responding to the current crisis and preventing future crises.

Contrary to the worst fears, most developing countries and emerging economies have come out of the crisis in much better shape than expected. Although many developing countries and emerging economies

had quite significant dips in growth in 2009 and some also had to accept financial assistance from the International Monetary Fund (IMF), most have proved remarkably resilient.

The recession in the industrialised nations, whose economies shrank by 8.3 % at the height of the crisis in the first quarter of 2009, led to a drastic slump in international trade, which shrank by 10.7 % in 2009. The drop in production and consumption in the USA and Europe – which still make up half the global economy – caused a slump in exports and thus slower growth in many developing countries. The recession in the industrialised nations and slower growth in important emerging economies like China also led to a drop in oil and commodity prices, which had either a positive or negative effect on individual countries' trade balances depending on their position as importers or exporters. For many commodity and energy exporters in Africa, Asia and Latin America this meant a loss of



Quelle: IWF WEO, April 2010, CPB Netherlands Bureau for Economic Policy Analysis

export revenues, whereas commodity and energy importers experienced an easing of burdens.

The recession in industrialised nations also had an effect on financial transfers to poor countries. The freeze in capital flows on the international markets did not affect the majority of developing countries since they had no access to them anyway. Nevertheless, according to the United Nations Conference on Trade and Development (UNCTAD), foreign direct investments in developing countries, which had risen in 2008 despite the fact that the crisis was already looming on the horizon, fell by 35 % in 2009. Further, the deterioration of labour markets in industrialised nations and the resultant dwindling sources of income for migrants led to a drop in remittances to their families back home – an important source of foreign income for many poorer countries.

The DIE also looked into the effects of the financial crisis on countries in Sub-Saharan Africa and the

Middle East and North Africa (MENA) region. Compared to previous global economic crises, most of the countries in these two regions got away relatively lightly and recovered reasonably quickly. In Sub-Saharan Africa this was essentially due to sound macro- and micro-economic policies adopted in previous years. Their relatively comfortable budget situation prior to the crisis gave many countries in Sub-Saharan Africa room for anti-cyclical fiscal policy to counter the drop in domestic and foreign demand. Energy exporting countries in the MENA region were more severely affected as a result of the drop in the price of oil. Most of these countries were, however, able to cushion the effects of the crisis on account of the reserves they had accumulated during the boom years.

International financial institutions strengthened their anti-cyclical role during the crisis and provided funding at short notice to hard-hit developing countries. The DIE investigated the reforms and increases in capital 24

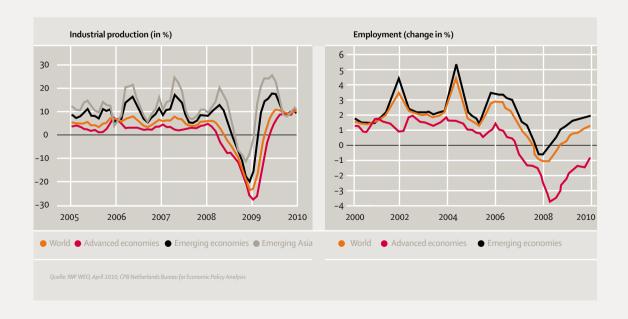
of the multilateral development banks and the International Monetary Fund (IMF) in that context. These institutions reformed their instruments so that they can be paid out anti-cyclically, flexibly and quickly in order to remove financial bottlenecks in these countries.

The question of to what extent a country's debt will worsen on account of the financial crisis is especially pertinent with regard to developing countries that were already in critical debt situations before the crisis began. The DIE investigated solutions for avoiding and overcoming debt crises in low-income countries in the context of a report commissioned by the German Ministry for Economic Cooperation and Development (BMZ) and in various publications and speeches. Important instruments for avoiding and resolving debt crises include insolvency proceedings for states, good debt management, a code of conduct, debt swaps, a debt moratorium, and the development of local bond markets.

In spring 2009 the DIE also assisted the then German Development Minister Mrs Wieczorek-Zeul in her capacity as member of the Stiglitz Commission for the Reform of the International Financial System. In cooperation with InWEnt, the DIE organised a conference in Berlin attended by members of the Stiglitz Commission and other international experts.

The DIE organised a further series of conferences together with InWEnt in Berlin, New Delhi, Mexico City, Beijing and Pretoria. These events dealt with the consequences of the financial crisis on developing countries and emerging economies, and discussed reforms to improve financial market stability and global financial governance. These informal policy dialogues involving high-ranking representatives of finance ministries and central banks from the G20 countries, international organisations and the academic world. They also helped to strengthen the DIE's research partnerships with institutions from China, India, Mexico and South Africa.

### Effects of the crisis on emerging and developing economies (Fig. 2)



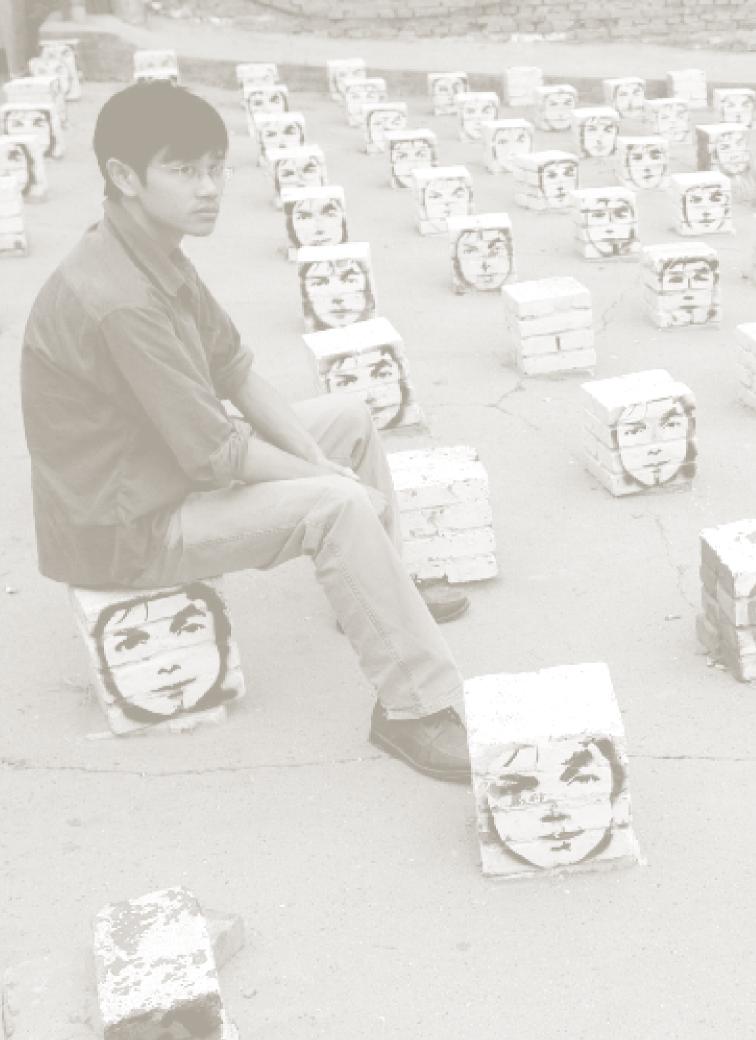
### Kathrin Berensmann and Ulrich Volz

Kathrin Berensmann works in the Department "World Economy and Development Financing". She received her PhD and "Diplom" (equiv. master degree) in economics from the University of Würzburg. Her main areas of specialization are development financing, international financial architecture, debt policy as well as monetary and exchange rate policy.

Ulrich Volz, PhD in economics, works in the Department "World Economy and Development Financing". He also teaches courses in International Finance and International Monetary Relations at Freie Universität Berlin. His research interests focus on international finance, monetary and financial integration, financial market development and development economics.

### Effects of the financial crisis Global Economic Governance Conferences Reform of the financial markets Developing countries

Decreasing growth rates Debt crises
Emerging markets



## Strength Individuality Humankind Collective Thinking Reclusion

## Africa – new economic perspectives beyond aid

Today, Africa is regarded as an up-and-coming continent. African institutions such as the African Union (AU), the New Partnership for Africa's Development (NEPAD) - which was recently integrated more closely into the structures of the AU and now goes by the name of NEPAD Planning and Coordinating Agency (NPCA) - and the African Development Bank (AfDB) are driving forward new reform processes: promoting the private sector, a new agriculture policy, regional integration, making better use of abundant natural resources and mobilising local resources via financial markets. These are all issues the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) engages with. They indicate that a new development paradigm has been adopted in Africa, one that is geared more towards utilising internal potential than has been the case in the past.

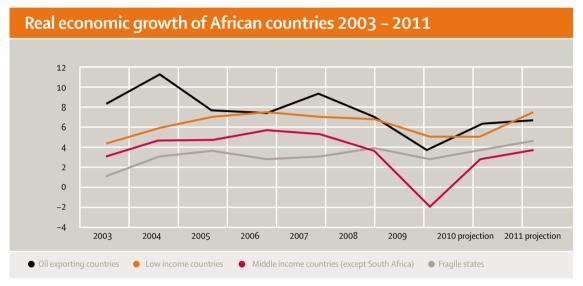
The private sector's role in reducing poverty and the dramatic level of underemployment are now un-

disputed in most African countries. However, Africa has structural competitive disadvantages, such as an inadequate infrastructure, an unreliable energy supply, mostly very small domestic markets with little spending power, and a lack of technical and entrepreneurial expertise.

An active structural policy is needed to gradually develop competitive companies, to create productive employment and to diversify the economy. The DIE investigated to what extent Egypt, Ethiopia, Mozambique, Namibia, Nigeria and Tunisia, among other countries, are capable of doing just that. It became clear that structural policy in all the aforementioned countries is still too bureaucratic and clientele-oriented, not least because they have few checks and balances (audit offices, parliaments, the media). However, the studies also show that there are clear differences. More and more positive examples of active economic participation are emerging in Tunisia and Egypt in

Economic growth in Subsahara Africa has improved compared to previous decades. Oil exporting countries have fallen back, they and the few middle income countries were particularly vulnerable to the recent financial and economic crisis.

The development of low income countries has been relatively positive; fragile states are still reason for concern. All these results are, however, not sufficient, Africa has to do more to foster development.



Source: IWF (2010): Regional Economic Outlook. Sub-Saharan Africa: Back to High Growth? IWF: Washington DC

particular. Of the sub-Saharan countries investigated only Ethiopia had a clear strategy for increasing competitiveness in areas with a higher value added. The country is investing heavily in universities and vocational training and has successfully established new industries. Namibia and Mozambique, by contrast, only have a half-hearted structural policy; the few measures that are a success are down to international donors' initiatives. All efforts to make the Nigerian economy less dependent on oil have failed. Industrial value added has dropped steadily since the country gained its independence.

New approaches are being adopted in agricultural policy to overcome political blockades at national level. The Comprehensive Africa Agriculture Development Programme (CAADP) has adopted a cross-border policy framework in an attempt to create a common understanding of what makes a good rural development policy. The CAADP is a joint AU and NEPAD

programme for agricultural development, poverty reduction and food security. Roukayatou Zimmermann and Michael Brüntrup analysed the programme and came to the conclusion that the CAADP activities have not yet become mainstreamed in domestic policies. Also, greater emphasis should be placed on the crossborder dimensions of agricultural and food security policies. Other studies conducted by the DIE on agroindustrial value chains also indicate a lack of policy coherence across various sectors. Policy coherence is necessary to promote innovation and private actors, to mobilise finance and to develop markets. Improved governance is required, as important social actors need to be strengthened and need to participate more.

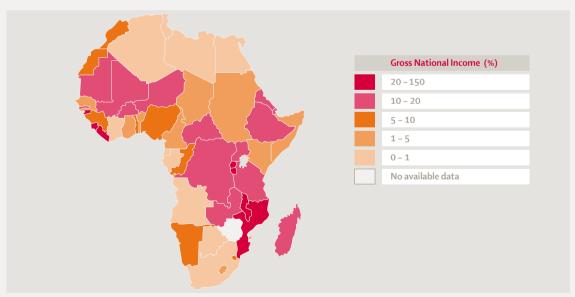
Africa's financial sector has undergone dynamic development in recent years: South African, Nigerian and Kenyan banks are expanding in the region. The AU, the AfDB and regional organisations are pursuing

an ambitious programme of regional financial market development, with the long-term goal of African financial and monetary union. Often, however, smaller countries slow down these programmes. This became clear during discussions at the DIE-InWEnt conference "Enhancing Regional Financial Cooperation in Southern Africa Against the Backdrop of the Global Financial Crisis" held in South Africa in May 2009. In the context of the "Making Finance Work for Africa"-Programme the DIE is looking at issues concerning the political economy of financial sector reforms. In this field – as work by Florence Dafe and Christian von Drachenfels shows – it is less lack of knowledge but above all conflicts of interest within the countries themselves that are obstructing the reform process.

A DIE study by Martin Stürmer into government revenues from the exploitation of raw materials in Africa reveals that the possibilities for generating revenue to finance development are far from being exhausted. This finding is sobering since many African countries are still reliant on commodity exports.

It is also against this backdrop that the economic engagement of new actors in Africa, primarily China, as well as India and Brazil, needs to be examined in terms of what opportunities and risks they offer with regard to Africa's development. Studies by the DIE in Rwanda, Ethiopia and Angola show that the prevailing conditions in each partner country are key when it comes to determining the consequences of more engagement by partners in the South. Aligning the activities of new partners to national development programmes should be the norm, especially given the rhetoric of South-South solidarity and the strategic use of various partners' strengths. Instead, there is evidence that attempts are being made to use new partners as an alternative to Western donors and to circumvent calls for public accountability.

### Aid dependence in Africa (2007)



Source: African Economic Outlook (AfDB/OECD 2010), page 81

Successful private-sector development and more sustainable use of available natural resources would increase Africa's chances of becoming less reliant on development cooperation. While support is being enlisted in donor countries to further increase aid for Africa, some African governments are redoubling

their own efforts, 50 years after gaining political independence, to free themselves economically from the post-colonial influence of donors. So long as Africa is classified as an aid recipient its means of influencing the international arena will remain very limited.

### Peter Wolff and Michael Brüntrup

Peter Wolff, PhD in economics, Head of Department "World Economy and Development Financing". Works on the reform of the world financial system and the development of the financial system in developing countries.

Michael Brüntrup, PhD in agriculture, is a member of the Department "Competitiveness and Social Development". Works on agriculture and agricultural trade policies, bioenergy and food security with a geographical focus on Subsahara Africa.



## European development policy at the crossroads

The challenges Europeans are facing with regard to their common policies are getting ever bigger, as witnessed by a global financial and economic crisis that turned into a Euro crisis. However, as the pressure has mounted the benefits of European integration have also increased and common European positions are urgently needed. Answers must be sought to global challenges such as climate change, and global power shifts in an increasingly multipolar world mean that new partnerships are needed, not least with China and other upand-coming powers. These changes directly affect European countries. At the same time, the European Union is an answer to these global uncertainties - and it is involved in shaping structural policy. It is not least on account of the Lisbon Treaty, which entered into force on 1 December 2009, that the EU has undergone internal change and lays claim to becoming an active global player while providing a regulatory framework for development. On the one hand, development

policy was strengthened contractually – global development is, after all, one of the goals of European foreign policy. On the other hand, the institutional framework for development policy has also changed, and that has made development policy-makers and representatives of non-governmental organisations (NGOs) anxious. A new contractual framework, a newly constituted European Parliament, a new European Commission and new global challenges – in short, there is a great deal of movement in Europe's foreign relations and now a new course is being set.

One key element of European foreign relations that is in flux is development policy. In early 2010 four European research institutes founded the "European Think-Tanks Group" and – initiated by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) – drew up a memorandum entitled "New Challenges, New Beginnings" in anticipation of the new course being set. In this joint

### EU-Memorandum "New Challenges, New Beginnings"



### Five priorities for change within the European Union:

- EU leadership in thinking about development cooperation;
- Momentum on policy coherence for development;
- New life for development partnerships;
- Funding obligations and improving the targeting and effectiveness of aid spending;
- Improving coordination between Member States.

publication of the DIE and the Overseas Development Institute (ODI) in London, the Fundación para las Relaciones Internacionales el Diálogo Exterior (FRIDE) in Madrid and the European Centre for Development Policy Management (ECDPM) in Maastricht, a total of 25 European development researchers - seven of them from the DIE - discuss the changing global and European framework for development policy: What are the key challenges? What has Europe done so far? And what else does it need to do? It may be too much to ask of the nation-state to solve these problems on its own, something that has repeatedly been emphasised in European integration research. But is the European Union in a position to react appropriately, also in view of global developments, beyond day-to-day crisis management?

The involved institutions use their expertise to cover a broad spectrum of topics that influence global development. The links to policies set at European

level are obvious and also reflected within the DIE: Europe must rethink all its policies - and thus also development policy - with a view to global climate change, which is already a reality, as Imme Scholz argues. Its foreign policy must take account of the fragility of a number of developing countries, and its goal must be to make partner countries capable of effective internal action. The EU has all the experience it has gained in managing networks to fall back on and it should also fall back on the broad range of competences that are in abundance in European civil society, as Jörn Grävingholt and Stefan Gänzle emphasise. And Europe's orientation and contribution to the Millennium Development Goals must be developed further, to which work by Markus Loewe also contributes at European level.

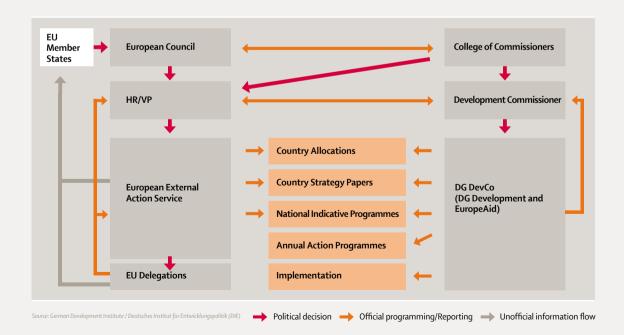
A core international team of four at the DIE deals with European issues, in particular the links between policy fields, and studies their consequences in terms

of Europe's ability to formulate policies for global development. The new European Foreign Service represents an opportunity – in the past the dovetailing of foreign and development policy took account of both elements in the context of planned processes. According to Sven Grimm and Mark Furness, that is in Europe's own long-term interests, but also a key contribution Europe can make to developing security, for example in African states. It is open to debate whether this need involve more integration. A better division of labour could also be the road to a better European policy for global development, since it avoids duplication of work within Europe, i.e. funding is used more sensibly, and partner countries do not need to get involved in coordination tasks. As Davina Makhan's work illustrates, Aid for Trade is a sensible and necessary addition to trade policy that enables development. It can support structural policy in the best sense of the word - if it keeps an eye on both the national

and regional dimensions, such as for instance the debate concerning Economic Partnership Agreements (EPAs). A great deal of fuss arose during the EPA negotiations on account of insufficiently coordinated goals between trade policy, which is strongly harmonised, and development policy, which is determined jointly by Member States and the Commission. The new development policy actors – especially China, which is regarded as a competitor – reveal weaknesses in Europe's foreign and development policy and may even use them to their advantage. However, Christine Hackenesch notes that they are not the source of these weaknesses, drawing on Ethiopia and Angola as examples.

In its memorandum, the European Think-Tanks Group argues that improving the effectiveness of European development policy is a basic prerequisite for ensuring that Europe sets the agenda on development issues. Development policy forms the core of European

### EU development policymaking under the Lisbon Treaty



foreign relations. Policy coherence for development is the key in policy fields beyond the realms of classic development aid. It must become part of day-to-day business and is an ongoing process. But with a view to effectiveness it will be worth it – for Europe and its partner countries.

### **Sven Grimm**

Sven Grimm, PhD in Political Science, Project Manager of the project "European Policy for Global Development" in the Department "Bi- and Multilateral Development

Cooperation". His field of expertise covers European external relations, in particular Europe's politics with Africa, as well as new actors in international development.

## Lisbon Europe EU Memorardum Foreign Relations Structural Policy Reform



# Borders Borders Sustainability Responsibility Constraint Habitat

### Aid effectiveness and the international reform agenda

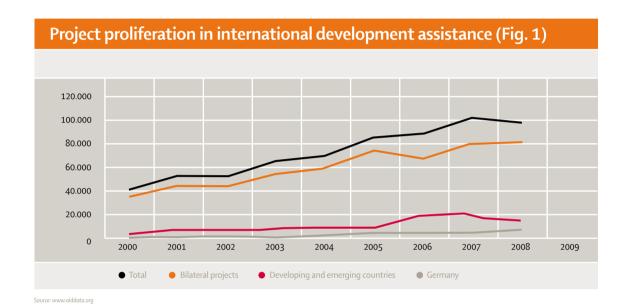
How effective is international development cooperation? In view of limited budgetary resources and the sobering results of the past, this question is continuing to gain in importance.

In an attempt to increase the effectiveness of development cooperation, the focus has in recent years primarily shifted towards reforming development cooperation instruments and procedures. The aim of better harmonisation, a less fragmented donor landscape coupled with more transparency and impact assessments is to increase effectiveness on the part of the donors. In return, recipient countries are being asked to take on more responsibility for development, not least so as to be able to obligate development cooperation organisations to concerted action oriented to partners' priorities.

One of the core competencies of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is assessing this reform agenda and its implementation on the basis of scientific analyses and deriving strategic recommendations from those analyses. One example is the anthology entitled "Wirksamere Entwicklungspolitik" ("More Effective Development Policy"), which was published by Jörg Faust and Susanne Neubert in 2010 and for the most part written by DIE authors. Despite the diversity of individual analyses, there is general agreement that both the analysis of shortcomings and the basic approach adopted in the 2005 Paris Agenda and the 2008 Accra Agenda for Action are a step in the right direction. Without better harmonisation and the international division of labour, without upgrading impact assessment and more transparency in development cooperation it will hardly be possible to achieve effectiveness gains. At the same time the studies show how difficult it is to reform international development cooperation structures that have evolved over several decades.

Increasing project proliferation tends to impose substantial transaction cost on the partner country and burdens their administrative structures. While the awareness of this problem

has been rising during the last years, the graph shows that the problem of project proliferation has yet not been effectively dealt with during the last decade.



Coordinating and harmonising procedures and instruments is often a time-consuming and thus cost-intensive process, and all too often it fails to go beyond information sharing and sporadic cooperation. The division of labour among donors is at best making progress at the EU level – and that only slowly. As Figure 1 shows, it has not yet been possible to rein in project proliferation in development cooperation. Consequently, partner countries are still faced with significant coordination costs.

Budget support is a good example that illustrates the challenges international development cooperation is facing. Budget support is the instrument that is most strongly associated with the reform agenda outlined above. DIE staff working as part of an international evaluation team found that bilateral donors often find it very difficult to reach agreement on uniform conditionalities, coordinated payment modalities and a joint monitoring system for budget support.

One key reason is the donor countries' different political assessments as to how budget support is to be used. These differences then limit operative units' ability to cooperate and coordinate, and undermine the credibility of concerted action vis-à-vis the partner government. If the goal of harmonisation is to be taken seriously, then it must also be put into practice by the headquarters in donor capitals, otherwise budget support will hardly be in a position to unfold its potential as a harmonising instrument that strengthens partners' structures and promotes reform.

The goal of better harmonisation is also being hampered by the growing number of donors. A number of DIE staff members who are part of an international research group on the future of European development policy are looking into this trend. According to Sven Grimm, it is becoming apparent that developing countries whose global influence is growing, for example China, India and Brazil, as well as big private

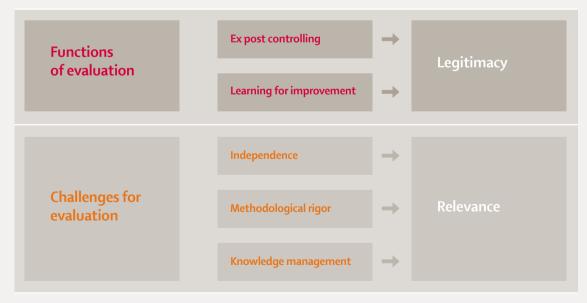
foundations are not simply adopting existing standards, most of which were developed by the OECD Development Assistance Committee (DAC), and applying them to their own international development cooperation.

This has led to a paradoxical situation: On the one hand, there is largely agreement on the fact that international development cooperation needs a regulatory framework with clear rules that can keep in check donors' and recipients' specific interests that limit effectiveness. At the same time, only a rudimentary international body of rules exists in regard to shaping an appropriate regulatory framework for development cooperation – despite the fact that numerous organisations are involved in development cooperation at international level.

Nevertheless, previous reform efforts have not been without success. A report by an independent DAC evaluation team on Japan rates highly the amalgamation of the country's financial and technical cooperation. The report by the international group of experts, which included Guido Ashoff, confirmed that the reform had rapidly reduced transaction costs within the Japanese system and – more importantly – had considerably reduced coordination costs for Japan's partner countries.

Progress is also evident when it comes to impact assessment, at least in regard to the methods applied and the independence of assessments. There are, for instance, an increasing number of international assessments that identify the impacts of development-policy measures by means of rigorous evaluation procedures and derive valuable conclusions as regards future improvements. Melody Garcia has developed a toolbox that gives practitioners information as to which methods are appropriate for evaluating interventions to promote good governance – a topic that is important but difficult to evaluate.

#### Evaluation in development policy: functions and challenges (Fig. 2)



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

The key functions of the evaluation process are to control the past and learn lessons for the future. Being independent and using complex methods is not enough. Fully-functional interface management between the evaluating and implementing units and further developing the relevant methods based on scientific criteria are just as important. All too often the strategy applied at international level is proliferation –

and the same goes for the development cooperation to be evaluated.

In the end, only better harmonisation of international development cooperation by involving all key donors will be effective and function as a global public good. That requires a stronger international regulatory regime. Without that, international development cooperation will be largely ineffective or will be exploited by other policy fields.

#### Jörg Faust and Stefan Leiderer

Jörg Faust, PhD in Political Science, is Head of the Department "Governance, Statehood, Security". His current work mainly focuses upon the political economy of development assistance, democratization and democracy support, decentralization and

evaluation methods. Stefan Leiderer, economist, is researcher in the Department "Bi- and Multilateral Development Cooperation". He works on public finances in Sub-Saharan Africa, new aid modalities and impact evaluation.

## Effectiveness of Development Cooperation Donor Harmonisation Donor Coordination Governance International Development Policy Project Proliferation

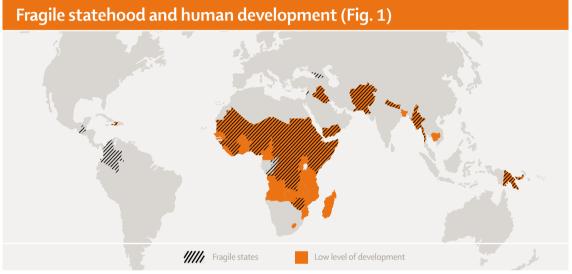
## Fragile statehood in post-conflict societies

Violent conflicts, especially civil wars, still represent one of the biggest hindrances to development. Particularly in Africa, some conflicts have gone on for decades. But what happens once the civil war is over? Violent conflicts not only leave behind the dead and wounded, but also hate and mistrust, which represent obstacles to reconciliation, and an infrastructure in ruins, which hinders economic recovery. Often, additional "public" damage occurs: fragile statehood. The term is applied to many governments' incapacity to take effective action. They have a weak administration and are not even able to provide basic government services, such as maintaining internal order.

The devastating consequences of such weakness on the part of the state – corrupt bureaucracies, no protection against crime, bad healthcare provision, a breakdown of the legal system – make it clear that the state alone cannot guarantee successful develop-

ment. However, without a fully functional state most development efforts are doomed to fail in the long term. But in which countries is the state too weak to promote development and effectively use external help? Fragility indices attempt to answer just that question. They measure to what extent states are fulfilling their tasks. But conducting these measurements is not easy, as the "Users' Guide on Measuring Fragility" authored by Sebastian Ziaja in cooperation with Javier Fabra from the Oslo Governance Center of the United Nations Development Programme (UNDP) shows: Translating such a complex and inconsistently defined concept as "fragility" into numbers raises many methodological problems. Nevertheless, that measurement is an indispensable prerequisite for a better understanding of the causes and consequences of fragile statehood and thus for thinking about appropriate development-policy measures.

Within the group of the 50 least developed states, one out of two struggles with maintaining a monopoly of violence and basic administration. In contrast, very few countries scoring higher on human development are fragile according to this definition. While such a correlation does not come as a surprise, the precise causal links explaining this pattern are still being explored.



Data from Bertelsmann Transformation Index 2010; UNDP Human Development Report 2009

What can be done to make fragile states partners of development policy that are capable of effective action and how can they be prevented from sliding back into civil war? Can externally controlled statebuilding ever work? Or should Western donor countries restrict themselves to supporting peace efforts without getting involved in establishing national institutions? The most important donor body in which those questions are discussed is the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). Since 2009, experts from the most important donor institutions have been working in the International Network on Conflict and Fragility (INCAF) on how the prospects of peacebuilding and statebuilding can be merged. While the peacebuilding approach traditionally placed special emphasis on the role of civil society, statebuilding was for a long time understood as a top-down approach to

restructuring societies merely by reforming state institutions. By contrast, Jörn Grävingholt, Stefan Gänzle and Sebastian Ziaja show in a study that in recent years, the two positions, as expressed in important OECD strategy papers, have noticeably converged. Both approaches now emphasise the necessary link between society and the state (see Fig. 2).

And there is yet more common ground: In the 1990s, the focus was usually on the short-term goal of establishing a liberal democracy, but greater restraint is now applied. Instead, the concept of resilience is gaining ground as the primary goal of external interventions in fragile states. Resilience refers to the overall structure of state institutions and their relations to society, which is characterised by its ability to adapt and sufficiently meet the population's needs, thereby containing conflicts in a non-violent manner and becoming capable of effective action in

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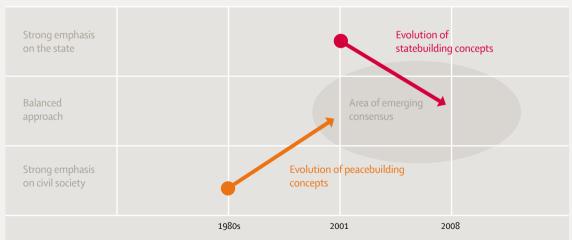
the long term. Democracy is still the best prerequisite for resilience and is thus regarded as the desirable long-term goal. However, there are doubts as to whether "democracy now" is always the best solution.

But if external support for peacebuilding and reconstruction processes is not to be oriented to democracy, then on what overall concept is it to be based? Recently, the INCAF has been discussing whether reaching a "political settlement" between competing influential groups in a country on basic issues of the political order should be the key short-term goal worthy of support. However, a study on "Political Settlements in Peacebuilding and State-building", commissioned by the INCAF and co-authored by Jörn Grävingholt and the Canadian political scientist Stephen Brown, comes to a cautious conclusion. Paying greater attention to the respective conditions in a political agreement is to be welcomed so

as to adapt the external interventions more adequately to the context. Nevertheless, the concept of a political settlement is a purely formal one and thus an insufficient criterion for a political order that is worthy of support: Repressive and exploitative governments can also be founded on a stable political settlement between key influential groups.

So, should democracy still be the short-term goal? And can it be effectively achieved with external support? Previous experience of promoting democracy raises doubts as to whether it can be imposed from outside, say Jörn Grävingholt, Julia Leininger and Oliver Schlumberger in a DIE Briefing Paper. For instance, successful cases in Central and Eastern Europe in the 1990s were probably influenced more by the prospect of EU accession than by explicit promotional schemes. We still need more research on how the majority of poor developing countries can be effectively assisted in transitioning to democracy. A DIE research

#### The convergence of peacebuilding and statebuilding concepts (Fig. 2)



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Peacebuilding and statebuilding are often depicted as incompatible concepts. An analysis of OECD strategy documents reveals, however, that both concepts have reduced their

lopsided foci on either the society or the state and found more balanced approaches.

group will be looking into this issue with detailed case studies and statistical country comparisons. It will be focussing in particular on post-war situations, since the opportunities for political reforms are good in such contexts. At the same time, however, the risk

of a conflict flaring up again is especially high in such situations. Development cooperation should, therefore, be able to precisely assess the possible consequences of its engagement. But we are still a long way off from that.

#### Jörn Grävingholt and Sebastian Ziaja

The authors are researchers in the Department "Governance, Statehood, Security". They work on democracy promotion and fragile statehood. Jörn Grävingholt is a

member of the "Advisory Council for Civilian Crisis Prevention" to the German Federal Government. Sebastian Ziaja is PhD candidate at the University of Essex.

## Peacebuilding Resilience Democracy Promotion Fragile StateStical Settlements Institutions med Conflict Statebuilding

### Global standards for sustainable dam development – and no end of the debate in sight

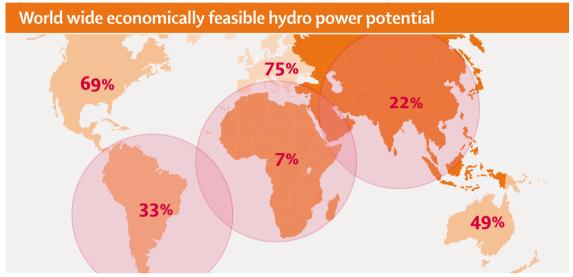
Ahead of the 2009 Copenhagen Climate Conference Danish scientists said something that hit the nail on the head: "If mitigation of climate change is about energy, then adaptation to climate change is about water." One could go on to say that dam-building can serve both goals - mitigation and adaptation: in many countries hydropower plays a prominent role in terms of generating electricity with fewer carbon dioxide emissions, and dams are a key element when it comes to the storage of water for supply and flood control. China is a good example, given that it plans to drastically reduce its carbon dioxide emissions by 2020 and, according to the Chinese President of the International Commission on Large Dams, "(needs) a Three Gorges Dam every two years". The ongoing drought this year in south-west China has affected more than 60 million people and eight million hectares of arable land. Larger reservoir capacities might possibly have been able to mitigate the problem.

Nevertheless, no other infrastructures have been criticised as much as large dams and storage-based hydropower generation as a result of their consequences for man and the environment. Controversial debates preceded the decision by the International Renewable Energy Agency (IRENA) to classify hydropower as a renewable energy source.

In a report entitled "Dams and Development" published ten years ago the World Commission on Dams (WCD) called for a radical rethink. The "new framework for decision-making" was to put the many years of discussions about the benefits of and unreasonable damage caused by large dams on a new footing. The WCD wanted to help overcome the polarisation of differences between proponents and opponents: For modernisers dams were and are the "new temples" (Jawaharlal Nehru) or "modern pyramids" (Gamal Nasser); for critics, by contrast, they stand for all that could possibly go wrong with modernisation.

According to the International Hydropower Association only 33 percent of the world's hydro power potential is exploited. With 7 percent only, the African continent brings up the rear,

while 33 percent are developed in South America, 69 in North America and 75 percent in Europe.



Source: International Hydropower Association

However, it was above all the construct of the World Commission on Dams and the process it organised that was praised as a prototype of a new global policy process. High-ranking public figures and prominent experts but no governments were represented on the WCD. The Commission had wide-ranging influence on the international discourse (although its mandate ended with the publication of its report and it was then dissolved), but had little influence on governments in countries with large hydropower potentials such as Brazil, China, India, Turkey, Nepal and Ethiopia. These reacted harshly to the WCD's recommendations, which they felt were hindering their economic development and their climate policy.

Core values such as equity, efficiency, participative decision-making, sustainability and accountability, which the Commission agreed on in the context of its new framework for decision-making, offered few points of attack. The WCD thus made reference to

other international standards (e.g. human rights, rights of indigenous peoples), procedural rules (access to information, participation) and regimes to protect environmental goods (climate, biodiversity). The key criticisms were and are its strategic priorities and above all its 26 very detailed guidelines, which some NGOs regard as apodictic and want implemented one-to-one – particularly by governments who had largely been excluded from the process.

A glance at recent reports in the newspaper shows that the debate on dams is far from over:

The Brazilian environmental agency attached the strictest conditions to the construction of the Belo Monte hydropower station on the Rio Xingu, a tributary of the Amazon. Nevertheless, Indio tribes in the region announced that they would defend their river and, if need be, prevent its construction by violent means.

The planned construction of six large dams along the River Nile in Ethiopia is putting a strain on

relations with Egypt, which more or less put on hold its cooperation with Ethiopia after it took a hydropower plant into operation. Ethiopia, as well as Uganda, Rwanda, Tanzania and Kenya are calling into question the 1959 Egyptian-Sudanese treaty which awards Egypt and Sudan more than 80 per cent of the water in the Nile – plus a veto right on projects initiated by the upper riparian states of the river.

Criminal charges have been brought against Lahmeyer International GmbH. Its managers are accused of coercion and damage to property after they began flooding the Merowe reservoir in Sudan although the population had not yet been completely resettled. The Lahmeyer International case could become the first of its kind in which a German firm has to stand trial in a German court for not respecting economic and social rights in a developing country.

Many developing countries have hydropower in their energy mix and their adaptation strategies to

climate change, also in order to become less dependent on imports of oil and natural gas. However, it is above all Africa that could benefit from hydropower: Only around one fifth of households have electricity and more than 30 African countries suffer chronic power failures, since only around 7 % of the hydropower potential is currently being tapped into.

Hydropower can contribute to development if the negative impacts on the environment and on humans can be minimised. Full compensation for damages, new income opportunities and participative resettlement planning are of key importance – at least advocates and opponents of the WCD can agree on that.

The German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) carried out studies in Brazil, China, India and Turkey into whether international environmental and social standards such as those of the World Bank or of the WCD are in fact applied and which actors decisively influence and

#### Alternative options for water and energy development on the river Tigris

Two international financial consortia have cancelled their commitment to finance the Ilisu Dam in Turkey, since neither environmental nor the resettlement plans complied with international standards. Researchers from the Middle East Technical University (METU), on the basis of official data,

have now presented an alternative plan which would incur only slightly higher costs while producing more electricity. Also, the historical cultural heritage site Hasankeyf would not be flooded and almost 7,500 people would not have to be relocated.

	Option favoured by State Hydraulic Works (DSI)	Alternative option from METU Ankara (Yalcin&Tigrek 2010)	
Number	1 dam on Tigris	5 dams on Tigris and tributaries	
Installed capacity	1,200 MW	878 MW	
Electricity generation	~3,000 GWh/year	~3,100 GWh/year	
Reservoir surface area	321,4 square km	Total 235,3 square km	
Dam height	130 m	59 m, 63 m, 68 m, 71 m, 73 m	
Total costs	1.85 billion Euro	1.89 billion Euro	

change the regulatory framework and substantive legalisation. A country comparison showed that internal learning processes gave the decisive impetus. Requirements made by donors had an effect on some projects, but did not change the political ground rules and environmental policy capacities.

Sustainable dam construction remains a huge challenge for development cooperation – but not only for that. The economic and political commitment of new actors, China in particular, as well as transnational networks and transnational enterprises has developed a momentum that it will be worth looking at in detail.

#### **Waltina Scheumann**

Waltina Scheumann is a political scientist and has a PhD in engineering science. She is researcher in the Department "Environmental Policy and Natural Resources Management." Research topics are cooperation on transboundary water bodies, governance in agricultural water management and

of irrigation / drainage systems, decentralisation options for urban waste water management. She is project leader of the BMZ-funded research project "Sustainable Dam Development in Brazil, China, India and Turkey".

Dams

Civil Protest Global Platform

Environmental Assessment

Fair Compensation Hydropower and

its Development Potential

Resettlement Planning Global Norms vs. Local Practices

# Fall etermination Limitless Idealist Confidence Sky Walker

The sculpture "Man walking to the sky" by the American artist Jonathan Borowsky in front of the KulturBahnhof in Kassel (2002).



## The DIE's Postgraduate Training Programme: excellent preparation for an exciting profession

The Postgraduate Training Programme of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is a core element of the Institute's work that looks back on a long tradition and enjoys a good reputation. The programme prepares young German professionals for a future career in German and international development cooperation by giving them the opportunity to study strategic issues of global sustainable development and practical development policy. In analogy with Joseph Nye's book "The Powers to Lead", published in 2008, the DIE regards leadership skills as the ability to support a group in the formulation and implementation of common goals. Each year 20 participants of the interdisciplinary course are able to extend their practical knowledge base and learn intercultural and social skills such as value orientation, tolerance, the ability to work in a team and empathy. An important learning goal is the ability to analyse complex problems and formulate cross-sectoral, systematic strategies for solving them.

The Country Working Groups (CWGs) are a key element of the Postgraduate Training Programme. Each of the CWGs is led by a member of the DIE's research staff. During a three-month research project phase in a developing country participants work in small groups to prepare a research-related and consultancy-oriented study. They cooperate with government offices, academic institutions, social groups and local experts.

Two CWGs of the 45th course may serve as examples. The CWG "Efficiency of Service Provision at Local Government Level in Zambia" led by Stefan Leiderer investigated the potential for boosting efficiency in providing public services in the education, health and road construction sectors in Zambia. Based on its findings the CWG formulated recommendations for the Zambian government and the donor community and drew conclusions for the short-term potential for increasing the effectiveness of budget aid. The study on the one hand contributes to the current debate on budget aid and the

### Country Working Groups of the 45<sup>th</sup> and 46<sup>th</sup> course

#### Zambia:

Efficiency of Service Provision at Local Government Level in Zambia

Zambia: Agricultural Development in a Changing Climate in Zambia – Increasing resilience to climate change and economic shocks

#### Rwanda

Challenges of the Aid Architecture at Country Level – DAC and non-DAC Donors in Rwanda

#### South Africa:

Corporate Social Responsibility and Black Economic Empowermen in South Africa



#### Chile:

Evaluation of the German-Chilean Fund for Strategic Reforms

#### Mozambique:

Accountability in Mozambique: Challenges and Opportunities for Development Cooperation

#### Uganda:

Transformation of Microfinance Institutions in Uganda

#### Peru:

Deforestation and Forest Degradation in the Peruvian Amazon – a Multi-Level Governance Issue

Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

effectiveness of development cooperation; Zambia is especially suited as a pilot country for such a study on harmonising donor funding. On the other hand, this CWG was also part of an evaluation of budget aid in Zambia conducted by the DIE on behalf of the German Ministry for Economic Cooperation and Development (BMZ) together with the Dutch Foreign Ministry and KfW Development Bank.

The CWG "Challenges of the Aid Architecture at Country Level - DAC and non-DAC Donors in Rwanda" led by Sven Grimm dealt with another aspect of the coordination process. In recent years emerging economies such as China, India, Brazil and South Africa have considerably expanded their aid programmes and now contribute around 10 % of global development transfers. The CWG study investigated possible areas in which "traditional" and "new" donors can cooperate and how the Rwandan government can benefit from donors in the best possible way for Rwanda's development. Another innovation in this CWG was the close cooperation with a Chinese

team of researchers, which arose out of a partnership with the Global Governance School. Three fellows from the Chinese Academy of Social Science cooperated with the Institute of Policy Analysis and Research in Rwanda in drawing up and implementing the field study. The example of Germany and China shows clearly what different strategies and modalities can be applied in development cooperation and what challenges this entails for the partner country.

Jeanne Lätt und Thomas Fues

# Career entry of course participants (36 – 45<sup>th</sup> course) 21% KfW 18% GTZ 14% EMMZ 14% Consultancies 13% Other 10% Political Foundations 4% InWEnt 2% Foreign Office 2% DEG 2% International Organisations (UN, EU, etc.)

## The Global Governance School: laying the foundations for dialogue and cooperation in a changing world

The international financial crisis and the subsequent rescue measures have clarified and accelerated the shift in power that has taken place between the industrialised nations and anchor countries. It appears that we have entered a multipolar world order in which the Western industrialised nations can no longer take decisions on their own. Without the anchor countries there can be no progress on dealing with global challenges ranging from global trade to climate protection to security architecture. The clearest indicator for the existence of that new world order is the active role played by the group of the 20 leading nations (G20), which includes Brazil, China, India, Indonesia, Mexico and South Africa.

The heads of state and government of the G20, which was created at the level of finance ministers in 1999, represent two thirds of the world's population and around 90 % of the world's economic output. The effectiveness of the G20 and its contribution to a fairer and more sustainable global governance order is not least dependent on the willingness and ability of

the involved countries to engage in cooperative action. Up until now it has in particular been national interests that have dictated the G20's decisions; the global common good and the concerns of the poorer developing countries were thereby mostly ignored.

This is where the Global Governance School comes into the picture. The School was established in 2007 on the initiative of the German Ministry for Economic Cooperation and Development (BMZ) and is part of the Managing Global Governance Programme implemented jointly by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and InWEnt - Capacity Building International, Germany. Young professionals working in government bodies, research institutions and non-governmental organisations are offered a qualification so as to be able to take on responsible tasks in their home countries. More than ever before contacts are arising between countries that cannot draw on a wealth of common historical-cultural experience. It is important to create room in which to develop trust beyond

# Partner countries of the programme Managing Global Governance Pakistan China Indonesia South Africa

Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

the established international negotiating contexts.

As well as the aforementioned anchor countries, representatives from Egypt and Pakistan also participate in the Global Governance School. These are two Muslim countries, which are under-represented in the G20. The 20 participants deepen their knowledge of global and regional development, economic and environmental policy issues in the context of various modules. In dialogue with one another and with German and European representatives they develop intercultural skills and learn to incorporate the global context in their day-to-day decision-making. Graduates of the DIE Postgraduate Training Programme join participants for some of their sessions. On account of the intensive contacts and often controversial exchanges of ideas, the participants' stay in Germany lays the foundation for future cooperation between the anchor countries, Germany and Europe. The DIE will be holding the Eighth Global Governance School in the second half of 2010. The network of partners that has been established is also very important to the DIE's research.

Over and above the Global Governance School, the Managing Global Governance Programme Network opens up opportunities for intensive and long-term cooperations with key research institutions in anchor countries. A number of research and publication projects that reflect the diversity of positions in the Network and mark the opportunities for and limits of a cooperative global policy are an expression of that partnership. A first volume entitled "Power shifts in global governance: Challenges from South and North" was published in early 2010 by Anthem Press UK. The next publication on anchor countries as "new donors" will be a further product of that cooperation. An international research project on the different prospects for global ethics and the normative foundations of global governance has already been launched as well as a publication on the G20's role for global development.

Axel Berger and Thomas Fues

#### Partner institutions of the Global Governance School

#### Egypt

Ministry of Electricity
Ministry of International Cooperation

#### Brazil:

ETHOS - Institute Ministry of Foreign Affairs Ministry of Environment

#### China

Chinese Academy of Social Sciences Development Research Centre of the State Council Ministry of Foreign Affairs

#### India:

Administrative Staff College of India Centre for Economic and Social Studies, Hyderabad, Government of India (Home Affairs)

#### Indonesia:

Bank Indonesia Jember University (Faculty of Economics)

#### Mexico:

Mexican Development Bank

#### Pakistan:

Pakistan Institute of Development Sustainable Development Policy Institute

#### South Africa:

South African Institute of International Affairs University of Witwatersrand

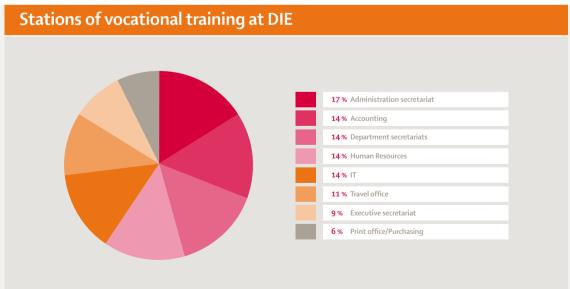
Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

### Training to become an office administration professional

The Training Department of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is not only responsible for preparing young graduates for their careers in development cooperation in the context of the Postgraduate Training Programme or for training young international professionals in the Global Governance School. In addition the DIE trains office administration professionals as part of their three-year vocational training course.

Somehow, we always suspected there was a big difference between school and working life. Those suspicions were soon confirmed, as in the very first week of our training we encountered and had to deal with English-speaking colleagues. Coming from the small and manageable world of school, we now found ourselves in a working atmosphere characterised by internationality and professionalism. It was especially when we talked to other trainees at our vocational training school that we realised again and again what an unusual context we are working in at the DIE.

The development we have undergone within a short period of being a trainee at the DIE is astonishing. Very soon after arriving at the Institute it is quite possible that one might find a quest scientist from India standing in the doorway of the IT-department with laptop problems. Or a Global Governance School participant from Brazil who needs help copying her passport because she cannot read the German instructions on the photocopier. If the relevant member of staff is busy doing something else, we trainees have to take charge. On another occasion a quest researcher from Egypt asked us which tourist attractions in Bonn we would particularly recommend. Thanks to our knowledge of the city we were able to explain to him that the DIE is located in the former government district, and that the German National Museum of Contemporary History, the Rheinaue park and the Beethoven House were all worth a visit. Our school-level English meant the conversation was a challenge for both sides. Meeting people from the most varied nations and cultures



Source: German Develonment Institute / Deutsches Institut für Entwicklungsnolitik (DIF)

is not always easy for us, but it is, on the other hand, what makes our job at the DIE so special and interesting. It is especially on account of having to deal with international colleagues and guests on a daily basis that we have got an insight into their cultures and their living and working conditions. That has already changed our view of the world.

One of the many qualities of the staff of the DIE is their great collegiality. Along with the excellent specialist know-how that is expected of all the members of staff whether they work in the scientific or non-scientific departments, their willingness to help is particularly remarkable. From the very first day we felt accepted as equals. The combination of theoretical and practical tasks and regularly having to switch between the different stages in our training makes our work very varied, sometimes difficult, but always interesting. The consequence is a positive atmosphere which is a mix of concentration and the willingness to work hard on the one hand plus fun on the other.

Our training at the DIE is also exciting because flexibility and spontaneity are often required of us. For example, we sometimes have to deputise for staff in other departments and do whatever tasks are required of us, where possible under our own authority. Then we have to spontaneously apply what we have learned and can show that our training is bearing fruit. We are thoroughly convinced that we are on the right track and will successfully complete our training. All those who have gone before us have shown us that that is possible

Rebekka Hentschel, Sergej Lehmacher, Daniel Sessink

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# Meditation Freedom Thinking Communication Uniformity Voicelessness

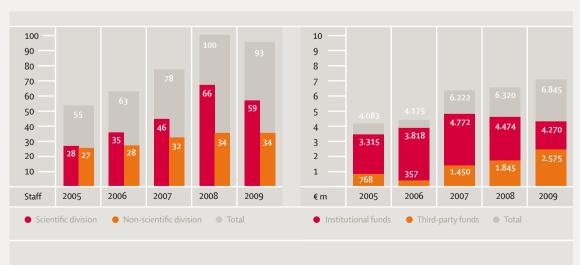
#### More than just administration

Scientific work needs professional back-up. That is why service is a top priority at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). That applies to personnel, financial and technical support in the same way as it does to helping those preparing or claiming expenses for business trips. A well-organised, transparent and well-positioned financial management also provides a solid foundation that together with the scientific departments creates strategic, conceptual and creative scope. Three non-scientific departments in particular are of key importance to the work of a research, consultancy and training institution, and have supported the DIE's development in recent years: Library and Documentation, Publications, and Media and Public Relations.

The increase in third-party funding meant that it was possible to expand the Institute's reference library, which is open to the public. The result is an impressive specialist, up-to-date stock of monographs,

periodicals and databases that is still growing. Networked thinking is a prerequisite for excellent scientific work - and the same applies to the library too. Intensive and ongoing cooperation between the library and the German Information Network for International Relations and Area Studies (Fachinformationsverbund Internationale Beziehungen und Länderkunde - FIV), of which the DIE and numerous other institutions are members, and the possibility of inter-library lending greatly improves researchers' access to specialist literature. The inclusion of the DIE's own stock, the majority of which was sponsored by public funding, in the German Information Network's overall stock also increases other institutions' access to up-to-date trade literature. The DIE's library thus contributes to improving quality in the development cooperation and development policy field of research as a whole and also increases the Institute's visibility at national and international level.

#### Staff numbers and financial development 2005 - 2009



Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

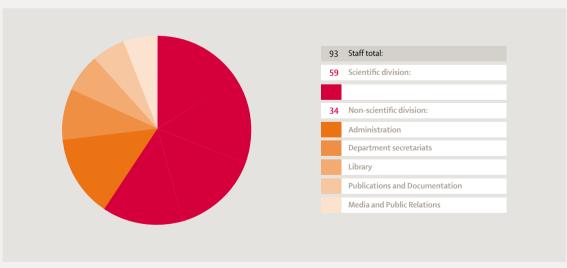
As part of the DIE's overall development the Institute's Publications department also expanded its activities – even though no new staff were taken on. Discussions focused on quality assurance and developing and updating unequivocal standards while at the same time increasing publishing activities. The scientific departments, the editorial office and the secretariats were included in these discussions. Clear profiles for publishing series and a transparent internal and external publishing strategy will considerably increase the Institute's reputation as a publisher of specialist literature as well.

Scientific work also needs to be noticed. The DIE's Media and Public Relations department has had a considerable role to play in the steadily increasing awareness of the DIE in Germany and in international contexts. Following the expansion of the DIE's website wide-ranging information on the work of the institute is now available on the internet. Regular

media presence means staff are contributing to the DIE's positioning and to development policy issues being discussed on a sound basis in public domain. In a media landscape hungry for up-to-theminute news we need competent actors who can think in terms of overall contexts and in the longer term. For instance, when the financial and economic crisis erupted, the DIE (the agenda setter for German development policy) reacted quickly and provided medium- and long-term analysis on the impact of the crisis on developing countries and emerging economies from an early stage. Every Monday, the DIE's "The Current Column" comments on current international development policy issues, another service for the general public and the media.

Gabriele Kahnert

#### Proportion scientific division to non-scientific division

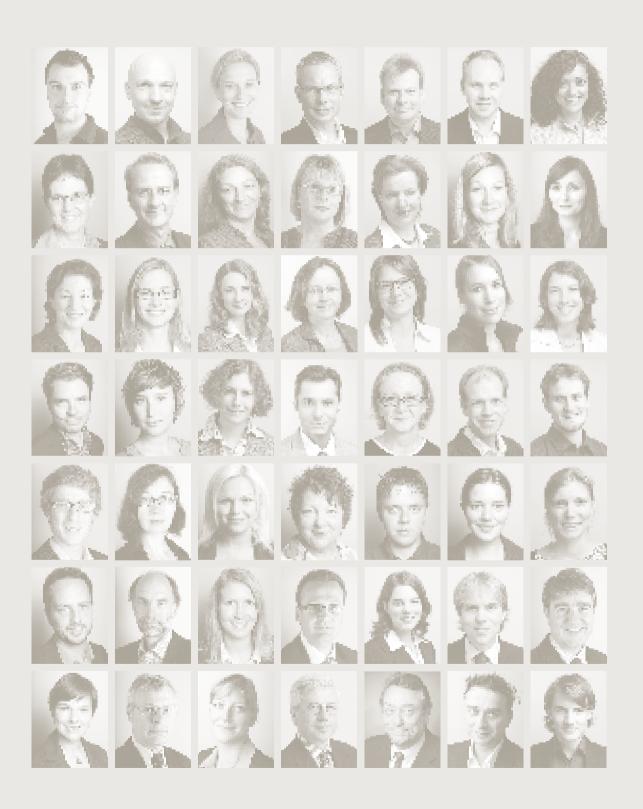


Source: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIF)

# Perspective Seeing Within Complexity Curiosity Breakthrough









# Knowledge Judgement Balancing Thoroughness Research

#### **Briefing Paper**

#### 2010

#### Lundsgaarde, Erik:

African Developments: Traditional Bilateral Donors at a Crossroads (Briefing Paper 13/2010)

#### Faust, Jörg / Christian von Haldenwang:

Integrated fiscal decentralisation: taking new aid modalities to the local level (Briefing Paper 12/2010)

#### Brandi, Clara:

International trade and climate change: border adjustment measures and developing countries (Briefing Paper 11/2010)

#### Ziaja, Sebastian:

State fragility indices: potentials, messages and limitations (Briefing Paper 10/2010)

#### Leiderer, Stefan:

Budget support as an aid instrument – neither Pandemonium nor Panacea (Briefing Paper 9/2010)

#### Loewe, Markus:

New approaches to social protection: microinsurance (Briefing Paper 8/2010)

#### Gänzle, Stefan / Benedikt Franke:

African Development: Continental Conflict Management – a glass half full or half empty? (Briefing Paper 7/2010)

#### Brüntrup, Michael / Petra Voionmaa:

Aid for Trade: an opportunity for re-thinking German aid for growth (Briefing Paper 6/2010)

#### John de Sousa, Sarah-Lea:

Brazil as an emerging actor in international development cooperation: a good partner for European donors? (Briefing Paper 5/2010)

#### Grimm, Sven / George Katito:

African developments: continental integration in Africa - AU, NEPAD and the APRM (Briefing Paper 4/2010)

#### Faust, Jörg / Christian Wagner:

India: A New Partner in Democracy Promotion? (Briefing Paper 3/2010)

#### Kästner, Antje:

Russia: supporting non-democratic tendencies in the post-soviet space?
(Briefing Paper 2/2010)

#### Bader, Julia:

Emerging powers in their regions: China's impact on its neighbours' political systems (Briefing Paper 1/2010)

#### 2009

#### Haldenwang, Christian von/ Marianne Alker:

Policy Advice in Development Cooperation: A Distinct Type of Policy Advice (Briefing Paper 15/2009)

#### Müller, Claudia:

Gender equality promotes development: the World Bank's gender action plan (Briefing Paper 14/2009)

#### Grimm, Sven / Silke Weinlich:

EU and UN Development Cooperation: what should Germany work for? (Briefing Paper 13/2009)

#### Haldenwang, Christian von / Philipp Krause:

Should we engage in development cooperation with countries that have a notoriously low tax ratio? (Briefing Paper 12/2009)

#### Grimm, Sven:

The reorganisation of EU foreign relations: What role for development policies within the European institutional setup?
(Briefing Paper 11/2009)

#### Gänzle, Stefan:

A Better Link Between Security and Development in the European Union? The European Community's Instrument for Stability (IfS) (Briefing Paper 9/2009)

#### Ashoff, Guido:

Institutional Reform Needs of Germany's Bilateral Development Cooperation (Briefing Paper 8/2009)

#### Fischer, Doris:

China's policies for overcoming the crisis: old reflexes or strategy for a new reform miracle (Briefing Paper 7/2009)

#### Messner, Dirk / Enrique Saravia / Elisabeth Sidiropoulos / Yizhou Wang:

Globalisation at the crossroad: an "International Panel on Systemic Risks in the Global Economy" is needed (Briefing Paper 6/2009)

#### Gänzle, Stefan / Sven Grimm / Christine Hackenesch / Davina Makhan:

'Elections 2009': what role does global development policy play in the European Parliament? (Briefing Paper 5/2009)

#### Grävingholt, Jörn / Stefan Gänzle / Sebastian Ziaja:

The convergence of peacebuilding and state building: addressing a common purpose from different perspectives (Briefing Paper 4/2009)

#### Katti, Vijaya / Tatjana Chahoud / Atul Kaushik:

India's development cooperation - opportunities and challenges for international development cooperation (Briefing Paper 3/2009)

#### Horstmann, Britta / Stefan Leiderer / Imme Scholz:

Financing adaptation to climate change through budget support (Briefing Paper 2/2009)

#### Grävingholt, Jörn / Julia Leininger / Oliver Schlumberger:

The three Cs of democracy promotion policy: context, consistency and credibility (Briefing Paper 1/2009)

#### Analysen und Stellungnahmen

#### 2010

#### Faust, Jörg / Christian von Haldenwang:

Integrierte Fiskaldezentralisierung: Neue Formen der Entwicklungszusammenarbeit und ihre Anwendung auf der lokalen Ebene (Analysen und Stellungnahmen 6/2010)

#### Ziaja, Sebastian / Javier Fabra Mata:

Was leisten Indizes staatlicher Fragilität? (Analysen und Stellungnahmen 5/2010)

#### Loewe, Markus:

Neue Strategien der sozialen Sicherung: der Mikroversicherungsansatz (Analysen und Stellungnahmen 4/2010)

#### Neubert, Susanne:

Wirkungsevaluation in der Entwicklungszusammenarbeit: Herausforderungen, Trends und gute Praxis (Analysen und Stellungnahmen 3/2010)

#### Kästner, Antje:

Russland: Begünstigung autoritärer Tendenzen im postsowjetischen Raum (Analysen und Stellungnahmen 2/2010)

#### Bader, Julia:

Eine Regionalmacht in ihrem regionalen Umfeld: Chinas Einfluss auf die politischen Strukturen seiner Nachbarn (Analysen und Stellungnahmen 1/2010)

#### 2009

#### Haldenwang, Christian von / Marianne Alker:

Politikberatung in der Entwicklungszusammenarbeit: Ein eigener Beratungstyp (Analysen und Stellungnahmen 15/2009)

#### Müller, Claudia:

Gleichstellung fördert Entwicklung – zum Gender Action Plan der Weltbank (Analysen und Stellungnahmen 14/2009)

#### Grimm, Sven / Silke Weinlich:

Die Entwicklungszusammenarbeit der EU und der UN: wofür sollte sich Deutschland einsetzen? (Analysen und Stellungnahmen 13/2009)

#### Haldenwang, Christian von / Philipp Krause:

Sollen wir in der Entwicklungspolitik mit Ländern zusammenarbeiten, die eine notorisch niedrige Steuerquote aufweisen? (Analysen und Stellungnahmen 12/2009)

#### Grimm, Sven:

Die Neuorganisation der EU-Außenbeziehungen: welche Rolle für die Entwicklungspolitik im Institutionengefüge? (Analysen und Stellungnahmen 11/2009)

#### Leiderer, Stefan:

Budgethilfe in der Entwicklungszusammenarbeit – weder Teufelszeug noch Allheilmittel (Analysen und Stellungnahmen 10/2009)

#### Ashoff, Guido:

Institutioneller Reformbedarf in der bilateralen staatlichen deutschen Entwicklungszusammenarbeit (Analysen und Stellungnahmen 8/2009)

#### Faust, Jörg / Christian von Haldenwang:

Integrierte Fiskaldezentralisierung: Neue Formen der Entwicklungszusammenarbeit und ihre Anwendung auf der lokalen Ebene (Analysen und Stellungnahmen 6/2010)

#### Gänzle, Stefan / Sven Grimm / Christine Hackenesch /

Die Europawahlen 2009: Welche Rolle hat das Europäische Parlament in der Entwicklungszusammenarbeit? (Analysen und Stellungnahmen 5/2009)

#### Grävingholt, Jörn:

Vom Zielkonflikt zur Konvergenz: Peacebuilding, Statebuilding und der neue Konsens der Gebergemeinschaft (Analysen und Stellungnahmen 4/2009)

#### Horstmann, Britta / Stefan Leiderer / Imme Scholz:

Finanzierung von Anpassung an den Klimawandel durch Budgetfinanzierung (Analysen und Stellungnahmen 2/2009)

#### Grävingholt, Jörn / Julia Leininger / Oliver Schlumberger:

Demokratieförderung: Kein Ende der Geschichte (Analysen und Stellungnahmen 1/2009)

#### **Discussion Paper**

#### 2010

#### Bucar, Maja:

Science and technology for development: coherence of the common EU R&D policy with development policy objectives (Discussion Paper 19/2010)

#### Horký, Ondřej:

The Europeanisation of development policy: acceptance, accommodation and resistance of the Czech Republic (Discussion Paper 18/2010)

#### Brandi, Clara / Christine Ladenburger / Anna Pegels:

Intellectual property rights as a challenge to providing global public goods: the case of health care, food security and climate stability (Discussion Paper 17/2010)

#### Kubny, Julia / Hinrich Voss:

The impact of Chinese outward investment: evidence from Cambodia and Vietnam (Discussion Paper 16/2010)

#### Furness, Mark:

The European External Action Service: a new institutional framework for EU development cooperation (Discussion Paper 15/2010)

#### Da Costa, Agnes M.:

Sustainable dam development in Brazil: between global norms and local practices (Discussion Paper 14/2010)

#### McKay, Julie / Ulrich Volz / Regine Wölfinger:

Regional financing arrangements and the stability of the international monetary system (Discussion Paper 13/2010)

#### Steffen Erdle:

The DESERTEC initiative powering the development perspectives of Southern Mediterranean countries? (Discussion Paper 12/2010)

#### Oliver Stuenkel:

Responding to global development challenges: views from Brazil and India (Discussion Paper 11/2010)

#### Choudhury, Nirmalya:

Sustainable dam development in India between global norms and local practices (Discussion Paper 10/2010)

#### Bruckner, Martin / Christine Polzin / Stefan Giljum:

Counting  $CO_2$  emissions in a globalised world: producer versus consumer-oriented methods for  $CO_2$  accounting (Discussion Paper 9/2010)

#### Draper, Peter / Sheila Kiratu / Cézanne Samuel:

The role of South African FDI in Southern Africa (Discussion Paper 8/2010)

#### Stürmer, Martin:

Let the good times roll? Raising tax revenues from the extractive sector in sub-Saharan Africa during the commodity price boom (Discussion Paper 7/2010

#### Gavas, Mikaela / Deborah Johnson / Simon Maxwell:

Consolidation or cooperation: the future of EU development cooperation (Discussion Paper 6/2010)

#### Rosendahl, Christina:

Industrial policy in Namibia (Discussion Paper 5/2010)

#### Hensengerth, Oliver:

Sustainable dam development in China between global norms and local practices (Discussion Paper 4/2010)

#### Elke Herrfahrdt-Pähle:

Introducing Catchment Management: The case of South Africa (Discussion Paper 3/2010)

#### Tilman Altenburg:

Industrial policy in Ethiopia (Discussion Paper 2/2010)

#### Berensmann, Kathrin:

How to prevent and resolve debt crises in LICs? (Discussion Paper 1/2010)

#### 2009

#### Meyer-Ohlendorf, Lutz:

Climate change, vulnerability, and adaptation in Sub-Saharan African cities: new challenges for development policy (Discussion Paper 25/2009)

#### Rodenberg, Birte:

Climate change adaptation from a gender perspective : a cross-cutting analysis of development-policy instruments (Discussion Paper 24/2009)

#### Pegels, Anna:

Prospects for renewable energy in South Africa: mobilizing the private sector (Discussion Paper 23/2009)

#### Krause, Philipp:

A leaner, meaner guardian? A qualitative comparative analysis of executive control over public spending (Discussion Paper 22/2009)

#### Rodenberg, Birte:

Anpassung an den Klimawandel aus Geschlechterperspektive: eine Querschnittsanalyse entwicklungs- und klimapolitischer Instrumente

(Discussion Paper 21/2009)

#### Stamm, Andreas / Eva Dantas / Doris Fischer / Sunayana Ganguly / Britta Rennkamp:

Sustainability-oriented innovation systems: towards decoupling economic growth from environmental pressures? (Discussion Paper 20/2009)

#### Grimm, Sven / Nils-Sjard Schulz with Ondřej Horký:

International division of labour – Towards a criteria-led process? (Discussion Paper 19/2009)

#### Das, Ram Upendra:

Regional Trade-FDI-Poverty alleviation linkages: some analytical and empirical explorations (Discussion Paper 18/2009)

#### Schorlemmer, Priska:

Herkunft der ODA-Mittel, der Einzelplan 23 und das BMZ – eine Analyse der deutschen Entwicklungsfinanzierung (Discussion Paper 17/2009)

#### Hackenesch, Christine:

China and the EU's engagement in Africa: setting the stage for cooperation, competition or conflict? (Discussion Paper 16/2009)

#### Hans Singer's legacy: the problem of commodity exporters revisited:

Hans Singer Memorial Lecture on Global Development 2009; conference proceedings (Discussion Paper 15/2009)

#### Loewe, Markus:

Deutsche Entwicklungszusammenarbeit mit Ägypten: eine Analyse aus der Ankerlandperspektive (Discussion Paper 14/2009)

#### Zimmermann, Roukayatou:

NEPAD initiatives and their repercussions on agricultural policy in Sub-Saharan Africa (Discussion Paper 13/2009)

#### Jaramillo, Miguel:

Is there demand for formality among informal firms: evidence from microfirms in downtown Lima (Discussion Paper 12/2009)

#### Kumar, Rajiv:

SAARC : changing realities, opportunities and challenges (Discussion Paper 11/2009)

#### Öztürk, Asiye:

The domestic context of Turkey's changing foreign policy towards the Middle East and the Caspian Region (Discussion Paper 10/2009)

#### Harris, Dan / Mick Moore / Hubert Schmitz:

Changing classifications for a changing world (Discussion Paper 9/2009)

#### Willenbockel, Dirk:

Global energy and environmental scenarios (Discussion Paper 8/2009)

#### Bath, Ganapati:

Transfer pricing, tax havens and global governance (Discussion Paper 7/2009)

#### Leininger, Julia:

Think big! Future prospects of the international summit architecture – the G20, G8, G5, and the Heiligendamm Dialogue Process (Discussion Paper 6/2009)

#### Öztürk, Asiye:

Der innenpolitische Kontext des außenpolitischen Wandels der Türkei (Discussion Paper 5/2009)

#### Schmidt, Lars:

REDD from an integrated perspective: considering overall climate change mitigation, biodiversity conservation and equity issues (Discussion Paper 4/2009)

#### Müller, Christoph:

Climate Change Impact on Sub-Saharan Africa? Bonn: Deutsches Institut für Entwicklungspolitik (DIE) (Discussion Paper 3/2009)

#### Leininger, Julia:

Think big! Zukunftsperspektiven der internationalen Gipfelarchitektur – die G20, G8, G5 und der Heiligendamm-Dialogprozess (Discussion Paper 2/2009)

#### Fröhlich, Katrin / Bernd Lämmlin:

Kommunale Entwicklungspolitik in Deutschland (Discussion Paper 1/2009)

#### **Studies**

#### 2010

#### Grimm, Sven et al.:

Challenges to the aid architecture in Rwanda: coordinating DAC and Non-DAC development partners (Studies 56)

#### Weinlich, Silke:

Die Reform der Entwicklungszusammenarbeit der Vereinten Nationen: Eine Analyse des Verhaltens und der Positionierung wichtiger Staaten gegenüber Reformoptionen (Studies 55)

#### Ifejika Speranza, Chinwe:

Resilient adaptation to climate change in African agriculture (Studies 54)

#### Krause, Matthias et al.:

Formalisation and Business Development in Mozambique: How important are regulations? (Studies 53)

#### 2009

#### Voionmaa, Petra / Michael Brüntrup:

German aid for trade: past experience, lessons learnt, and the way forward (Studies 52)

#### Wiemann, Jürgen / Verena Ashoff / Melanie Grad / Anna Katharina Meyer / Stefanie Ruff / Thomas Staiger:

Laos on its way to WTO membership: challenges and opportunities for developing high-value agricultural exports (Studies 51)

#### Makhan, Davina:

Linking EU trade and development policies: lessons from the ACP-EU trade negotiations on economic partnership agreements (Studies 50)

#### Jenkins, Rhys / Enrique Dussel Peters (eds.):

China and Latin America: economic relations in the twenty-first century (Studies 49)

#### Zimmermann, Roukayatou / Michael Brüntrup / Shashidhara Kolavalli / Kathleen Flaherty:

Agricultural policies in Sub-Saharan Africa: understanding CAADP and APRM policy processes (Studies 48)

#### Gänzle, Stefan:

Coping with the ,Security-Development Nexus': The European Community's instrument for stability – rationale and potential (Studies 47)

#### Richerzhagen, Carmen / Tabea von Frieling / Nils Hansen / Anja Minnaert / Nina Netzer / Jonas Rußbild:

中国建筑节能:政策,障碍和机遇 (Studies 46)

#### Grimm, Sven / Kristin Nawrath / Robert Roth / Simon Triebel / Britta Utz:

The African Peer Review Mechanism (APRM) as a tool to improve governance? (Studies 45)

#### Haldenwang, Christian von / Elke Büsing / Katharina Földi/ Tabea Goldboom / Ferdinand Jenrich /Jens Pulkowski:

Administración tributaria municipal en el contexto del proceso de descentralización en el Perú (Studies 44)

#### Altenburg, Tilman / Hildegard Dietz / Matthias Hahl / Nikos Nikolidakis / Christina Rosendahl / Kathrin Seelige:

Biodiesel in India: value chain organisation and policy options for rural development (Studies 43)

#### Other publications and special issues

#### Kumar, Ashwani / Dirk Messner (eds.):

Power shifts and global governance: challenges from South and North London: Anthem Press ISBN: 978-1-84331-831-6 (Hard Copy) ISBN: 978-1-84331-834-7 (Paperback, 2011)

#### Volz, Ulrich / Aldo Caliari (eds.):

Regional and Global Liquidity Arrangements
E-Publication, Deutsches Institut für Entwicklungspolitik,
2010

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