



Federal Ministry
for Economic Cooperation
and Development

BMZ Member Update

DCED Annual Meeting, 06 June 2024, Washington, D.C.

Division on Sustainable Economic and Financial Systems



Four Priority Areas of German Development Policy

Providing Global Health and
Bodily Autonomy

Pushing Back Poverty, Hunger
and Inequality

Forging Ahead with the Just
Transition

Embracing a Feminist
Development Policy

Social-Ecological Transformation of the Economy as Guiding Principle

- A fundamental **social-ecological transformation of economic and financial systems** is required to enable sustainable development in the future
- Social-ecological transformation = **economic and financial systems** that are **socially just, ecologically sustainable, digital, resilient** and **competitive**. Previously **disadvantaged population groups** should **benefit** from the changes.
- Traditional economic development cooperation is reaching its limits – we need to support the transformation through **structural policy**
- Focus on **policy measures** that shape the economic, financial and trade framework
 - More projects at the **macro-level** to effect systemic changes
 - Strong cooperation with **like-minded international and multilateral** partners
 - Three thematic areas: 1) **sustainable transformation of economic and financial systems**, 2) **private sector mobilization** and 3) **women's economic empowerment**

Multilateral Cooperation to address Cross-border Issues



- German Development Minister **Svenja Schulze**: „*The great challenges of our time can only be met if the world joins together in solidarity.*“
- New **BMZ multilateral strategy**; focus on
 - provision of **global public goods** (peace, climate, environment and health),
 - establishing **social-ecological economic and financial** as well as **social protection systems**,
 - making societies **socially just, ecologically sustainable, resilient, safer** and overall, more **liveable**.
- Strengthening cooperation with **like-minded partners** who share the same **key values**.

Example: Private Sector Development and Economic Policy Advice for Green Industrialization in Uzbekistan ([Link](#))

Commissioned by BMZ, 9 Mio EUR, 12/2022 – 12/2025

- **Key challenges:**
 - **Sustainable industrialization** and **green transition** lag behind country's own expectations
 - **Outdated and inefficient technologies** used in manufacturing sector → **low energy efficiency** and **competitiveness** of the industry
 - Share of manufacturing sector in GDP and share of manufacturing employment in total employment **stagnates**
- **Objective:** **Energy- and resource-efficient production** in Uzbekistan is driving the country's green industrialization and creating the conditions for **long-term environmentally aware economic growth**
- **Approach:**
 - **Economic policy advice** and **human and operational capacity building** of public sector actors for industrial policy
 - **Technical capacity building** in private sector for implementation of **sustainable production methods**
 - Demand-oriented services for green future-oriented industries (textiles and construction materials)

Regional and Bilateral Projects with GIP Focus

Investment Climate Reform (ICR) Facility



“To improve the business and investment climate in ACP countries, especially with regard to women's economic participation.”

- Demand-based short-term TA for **business environment and investment climate** improvement initiatives
- **Policy reforms, public-private dialogues** and financial systems development
- Expertise to national and subregional **development finance institutions**

Green Action in Enterprises in Jordan (GAIN)



“To introduce an improved framework for environmentally friendly and resource-conserving production in the private sector”

- Policy support for instruments to foster **transformation of the industrial sector**
- **Facilitate green investments** in industrial companies and support of industrial ecosystem
- WEE: **gender-mainstreaming approaches** adapted to the industrial context

Green Economy in Serbia



“To utilize the potential of a green economic transformation so that Serbian MSMEs can compete on international markets.”

- **Policy advice** to contribute to political strategies and processes, e.g. as part of the implementation of **national industrial policies**
- Support to business organisations in **aligning services** with needs of MSMEs, e.g. for **women-led businesses** or in the area of **environmental protection**
- Communication of project work to public to **raise awareness of the green transition** among Serbian companies, political actors and the population

Macroeconomic Reform / Green Growth in Vietnam



“To improve the management of public and private resources for an inclusive and green growth”

- Support to Vietnamese government in development and implementation of **macroeconomic reforms for environmentally and socially sustainable growth**
- TA, capacity building and training to enable key government stakeholders to **implement reforms independently and sustainably**
- Development of national **indicators for monitoring** environmentally sustainable economic development

“Partners in Transformation” — the new umbrella brand of Private Sector Engagement

- **3 quality indicators**
 - Integration (into bi- and multilateral programmes, and within the PSE portfolio)
 - Client-centered (creation of a one-stop-shop for the private sector, joint branding)
 - Digital (processes, tools, data driven decision making)
- Improved **monitoring and evaluation**
- **New partners:** trade unions
- **Thematic focusing:**
 - „green“
 - gender-equitable
 - digital
 - Ukraine reconstruction
- **Scaling**
 - of successful approaches



Partners in Transformation Business & Development Network



Partners in Transformation
Agentur für Wirtschaft und Entwicklung



Partners in Transformation
Helpdesk Wirtschaft und Menschenrechte



Partners in Transformation
develoPPP



Partners in Transformation
ImpactConnect



Partners in Transformation
Up-Scaling



Partners in Transformation
Kammern und Verbände



Partners in Transformation
Import Promotion Desk

60 Heads of
State invited

Hamburg Sustainability Conference (HSC)

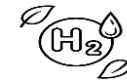
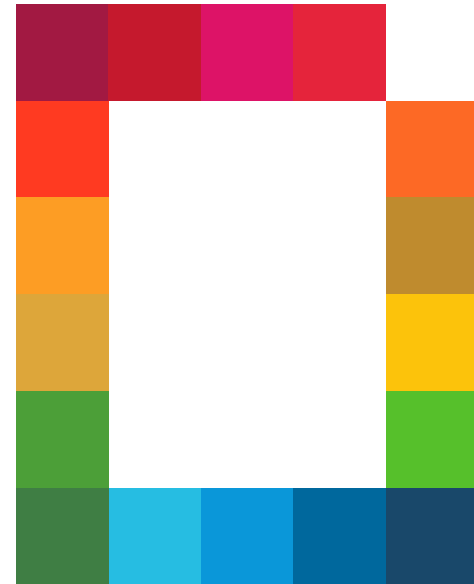
7/8 October 2024 in Hamburg, Germany

→ **Objective:** Acceleration of SDG achievement through:

- Strengthening multilateral dialogue
- Promoting private sector contributions (e.g. through public-private alliances)
- Scaling solutions within the planetary boundaries

→ **Topics:**

- Reshaping International Financial Architectures
- Unleashing Investments for SDGs
- Leveraging Transformation



Green Hydrogen



Feminist policies for
achieving the SDGs



Innovative Solutions for
Sust. Cities & Mobility



Mineral Resources



International Financial
Architecture



Sustainable Finance and
Private Sector Investments



Resilient Food Systems



Responsible AI
for Sustainability