



Anchor Countries -

Partners for Global Development



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Context for the German strategy towards emerging economies

- Debate on more effective international development cooperation puts under review the cooperation (quantitative/qualitative) pursued to date with the large, very heterogeneous group of MICs
- World Bank reorients its cooperation with MICs (over 90 countries)
- Definition of MICs is too narrow, based exclusively on national per capita GDP, taking no account of specific global and regional impact and leaving out existing potential for development
- German Federal Ministry for Economic Cooperation and Development (BMZ) has drawn up a specific strategic concept for a group of large MICs known as “*anchor countries*”, taking into account their special global and regional importance



Anchor countries and their new role

Importance of anchor countries

- Decisive role in both political and economic terms
- Key role in achieving the MDGs at a global level (MDG1, 7)
- They increasingly take over global responsibility (security, development cooperation, ...)
- Positioning as negotiators in multilateral negotiations



Anchor countries – a new way of cooperation

From cooperation to strategic partnership

- Cooperation needs to reflect the changed role of anchor countries in the national, regional and international context
- At the same time pursuing as far as possible our interest in shaping global structural policy



Anchor country strategy: an outline



Cooperation with anchor countries

- **upgrading of the cooperation portfolio** with regard to regional and global challenges, global public goods, regional cooperation
- **adjustment of instruments** (knowledge brokers, financing instruments)
- **triangular coop.**

- **network building**
- **intensify dialogues**

- **interchange of management staff and scientists/ academics**
- **training programme “Managing Global Governance” (MGG)**

Strategic alliances with EU/ other donors - Cooperation with other ministries



3 central issues of the cooperation with *anchor counties*

1. Enhancing social cohesion / reducing poverty:

- Growth processes do not necessarily lead to poverty reduction
- Existing inequality in many anchor countries has not changed, disparity between rich and poor is increasing
- Future cooperation should give greater attention to structural levers/processes for improving social cohesion and reducing poverty

2. Protecting global environmental goods:

- Higher growth, prosperity and successful poverty reduction are increasingly making demands on scarce resources (energy, water, land)
- Number of anchor countries have globally important ecosystems (tropical forests, biodiversity)
- Anchor countries will have decisive influence on whether sustainable, resource-friendly development path can be chosen



3 central issues of the cooperation with *anchor counties*

3. Strengthening good governance and regional security:

- Number of anchor countries are of special importance in terms of foreign, security and peace policy aspects
- Peaceful settlement of anchor countries' internal conflicts or conflicts with neighboring countries is relevant beyond national level
- Anchor countries have great potential for reaching regional stabilization, regional security and international peace building
- Efforts for democratization and for the reform of government structures, relevant capacity for balancing interests and for nonviolent conflict management needs to be strengthened



Implementing a new strategy with anchor countries: China and India (I)

Bilateral development cooperation:

- Upgrading bilateral cooperation in close consultation with the partner:
 - **China:** environmental policy, protection and sustainable use of natural resources, sustainable economic development, transport
 - **India:** energy, environment, sustainable economic development

- Adjusting modalities and instruments



Implementing a new strategy with anchor countries: China and India (II)

Implementation of a coherent policy towards anchor countries:

- **Cooperation with other ministries (*corridors of cooperation*):**
 - *Impact of the cooperation with other ministries:*
 - Using potential synergies with the activities of other ministries
 - Definition of a clear German profile
 - *Existing corridors of cooperation:*
 - **China: German-Chinese Rule of Law Dialogue** with the Federal Ministry of Justice
 - **India: German-Indian dialogue on energy and energy-efficiency** together with the Federal Ministry of Economics and Technology, the Federal Ministry of the Environment and the Federal Foreign Office



Implementing a new strategy with anchor countries: China and India (III)

Triangular cooperation:

- Jointly planned and implemented cooperation project involving
 - an **established donor** that is a member of the OECD/DAC,
 - a **partner country** that is taking on the role of an “emerging donor”, is a beneficiary of development cooperation and is not a member of the DAC,
 - and a **third country** as beneficiary
- **Aims / advantages of triangular cooperation:**
 - Mobilisation of additional funds
 - Transfer of know-how by the partner country
 - Decrease in transaction costs
 - Approach to the DAC principles of cooperation
- First experiences with **Mexico, South Africa, Brazil** and **Chile**
- **China:** (in preparation) approach with Tongji University to work together in the fields of vocational training and urban environmental sustainability with regard to the integration of South East Asian / other neighbouring countries and African countries



Is development cooperation still necessary with anchor countries?

- Development cooperation has instruments of cooperation / expertise to treat global issues.
 - Development cooperation has established long-lasting contacts and cooperation and gained deep knowledge about institutions in anchor countries.
 - The networking (apart from development cooperation) with anchor countries is still weak, development cooperation can be used to build up partnerships between Germany / Europe and anchor countries, also in other political areas that are relevant to global structural policy (justice, environment, research) or where development-oriented synergies can be expected (e.g. with the private sector).
In this context existing contacts can be used: e.g. long standing relations which have been developed through bilateral government negotiations, returning experts programme (CIM).
- Using synergies to work on global challenges



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Thank You!