



State and Democracy

Imprint

Publisher:

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Published:

Eschborn 2008



Promoting Good Governance – GTZ Services Overview

This overview is aimed at clients and co-operation partners of Division 42 – State and Democracy – of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ – German Technical Co-operation). Based on a **common understanding of governance** which comprises the system of political control and relations between state and society, this profile provides an outline of our **main activities, competencies and products**.

In our work, we aim to promote sustainable development through good governance, which stands for effective political institutions and the state's responsible use of political power and public resources. It also implies interaction between state and society to ensure civic participation in policymaking, respect for human rights, as well as social welfare and the rule of law.

Improving structural conditions and developing capacity are at the centre of our work; that is, supporting people and organisations with a view to facilitate negotiations between government, civil society and the private sector. Good governance promotion proceeds from the specific conditions established in a country. Accordingly, we will cite cases to illustrate how our division provides services to nations in conflict, anchor countries¹ and fragile states.

¹ As defined by the German Federal Ministry for Economic Cooperation and Development (BMZ).



1. State and society

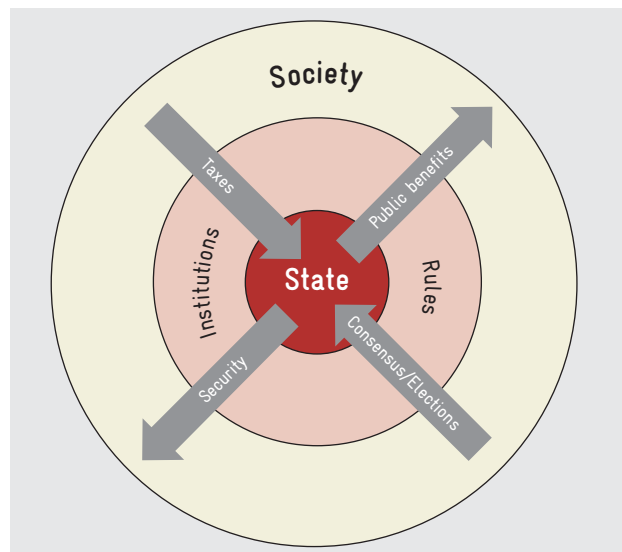
What distinguishes successful states from failing states are the viable relations between government and society and their scope for development.

In performing its core functions, the successful state

- takes policy decisions by way of democratic procedures, promotes political participation, establishes efficient executive institutions and renders account of its decisions and obligations,
- implements social and economic human rights and provides public goods, for example, through effective services by transparent and accountable institutions at the national and municipal levels,
- guarantees adherence to the rule of law by ensuring human rights, gender equality, access to justice and transparent legal proceedings and jurisprudence,
- regulates market operations and sets out the economic framework geared toward socially equitable, inclusive and pro-poor growth,
- bears responsibility for law and order and national defence, primarily by means of security services under democratic oversight,
- represents and advocates national interests and positions in international regimes and organisations, and implements multinational decisions.

In performing its core functions the society of a successful state

- gives shape and legitimacy to the state through public opinion, political interest aggregation and participation,
- constitutes state and government through free and democratic elections,
- provides revenue to the state through taxes and duties,
- exercises control over the state and government through parliament and civic organisations,
- makes use of monetary, non-monetary and service benefits delivered by private and/or public providers.



These negotiation processes between state and society that give reciprocal shape to rules and institutions are what our advisory services concentrate on.

We pay prime attention to the following aspects of relations between state and society.



1.1 Transparent, efficient and citizen-friendly state institutions

Products²: Promoting democracy; decentralisation/regionalisation; capable public administration; transparent fiscal affairs; capacity development of public financial management in programme-based approaches; municipal and urban development; disaster risk management; anti-corruption; gender; human rights

It is vital for poor and/or underprivileged sections of the population in particular to be able to benefit from public services. Efficient public management and pro-development governance are important prerequisites for adequate service delivery.

The effectiveness of a state in providing public goods depends in part on the organisation of the public sector. Of key importance here is the allocation of political and administrative powers and finances amongst various institutions and state levels (multilevel governance). This is why our support regularly aims at public administrative reform, effective and transparent public financial management and improved accountability. A major principle is the allocation of state responsibility to the lowest competent tier (subsidiarity principle), where appropriate by means of decentralising state functions.

Especially in our globalised world, there is a growing need to promote regional development and international co-operation. As a result of changes in economic trends due to rapid urbanisation, towns and regions are coming to play an increasingly important role (territorial governance). This is why our advisory services aim at strengthening the capabilities of national, regional, and local actors, including civil society, to take effective action.

The state's legitimacy is sustained by democratic elections, equal civic participation by men and women in policy-making and governance, as well as transparency and accountability. At the same time, these are also major prerequisites for public and private investments. Essentially, these prerequisites enhance the ability of the state to govern, the credibility of politics and administration, and the quality of services. Citizens are then more prepared to identify with the fundamental values of the state, which is essential for raising revenue to finance government measures through taxes and duties.

1.2 Democratic rule of law

Products: Legal and judicial reform; crisis prevention and peacebuilding; security sector reform; human rights; pro-poor governance; promoting democracy; anti-corruption; civil society participation; gender

Establishing a state monopoly over the use of force in keeping with the principles of good governance ensures social development and fosters domestic peace. A central function of the state is to provide for public safety, law and order, and to guarantee access to justice under the rule of law. Division 42 – State and Democracy – provides its clients with advisory services on legislation, jurisprudence and law enforcement as a general foundation for regulatory measures in and across sectors.

Our particular concern here is to strengthen effective jurisprudence, eliminate social and gender discrimination in access to justice, and to improve transparency and accountability in governance.

² The list cites key products, and is not conclusive.



We assist our partners in establishing an effective separation of powers, in setting up a system of checks and balances amongst the legislature, executive, and judiciary, and in their efforts to prevent and fight corruption. Moreover, special legal issues, such as land and property rights to pave the way for economic development and poverty reduction, are regular items on our advisory agenda.

In recent years, security sector reform and crisis prevention/conflict transformation have developed into new major areas of engagement for GTZ. These are implemented through direct measures, such as fostering peace alliances, supporting demobilisation and reintegration, and promoting citizen-friendly police services. An additional approach is the conflict-sensitive design of other projects in the countries affected. The overall objective is to improve security for citizens, which also includes disaster risk management.

1.3 Securing livelihoods in emergencies and crises

Products: Food security in crises/conflicts; reconstruction for crisis prevention; development-oriented emergency aid; disaster risk management

Another major area of intervention in our work is securing livelihoods in emergencies and crises if the state can no longer guarantee minimum basic services for survival or subsistence. Here, development-oriented emergency and transitional assistance takes over provisional public service delivery in emergencies and crises, while promoting self-help capabilities at all social and state levels.

The services provided range from short-term food aid, physical reconstruction measures and relief supplies, to complex reconstruction programmes, including rebuilding infrastructure, promoting income and employment generating activities, constructive conflict transformation and stabilisation, refugee reintegration and strengthening state and civic institutions, as well as facilitating interaction at the municipal and regional levels. In development-oriented emergency and transitional assistance projects, these measures are bundled into packages to meet complex needs largely in fragile states.

These integrated packages of measures and the general inclusion of preventive measures aim at reducing vulnerability to crises or natural disasters and laying the foundation for sustainable development.



2. Key developmental themes: poverty reduction, human rights, gender, peacebuilding, anti-corruption

Products: Human rights; gender; civil society participation; promoting democracy; pro-poor governance; crisis prevention and peacebuilding; anti-corruption

Eradicating poverty and gender discrimination, implementing all human rights, safeguarding peace and waging an effective fight against corruption are prime goals of development co-operation, and are key themes in our work. They do not just co-exist side by side, but are closely entwined issues. Sustainable poverty reduction, for example, is impossible without the social and economic empowerment of women. Likewise, focusing on human rights facilitates reforms in favour of the poor, women, and marginalised ethnic groups. Crisis prevention is a major prerequisite for safeguarding human rights, and successful poverty reduction is not possible without the political, social, legal, and economic empowerment of women. Effective anti-corruption measures are the prerequisite for overcoming poverty in the long run.

State legitimacy, the mutual confidence and credibility of state and society, thrive when different groups and individuals feel respected regardless of their social status, ethnic allegiance, gender, or faith and are accorded equal rights in practice. States can foster this by promoting the political participation of marginalised groups and improving their sustained access to resources. This often calls for institutional reforms aimed at altering social power relations in favour of equal opportunities for underprivileged groups.

This is where our collaboration with non-governmental partners, such as human rights and women's organisations or self-help groups and their associations, has also proven effective.

Many of these problems make themselves particularly felt at the local level, where we seek to lay the foundations for basic public services as an important means of reducing poverty. Here, we also contribute to ensuring a progressively dependable environment for interaction amongst all members of society.

These key themes in the Division are supported by specific sectoral projects which offer direct advisory services to our main client, the German Federal Ministry for Economic Co-operation and Development (BMZ), and to the project implementing organisations of German development co-operation (e.g. KfW, DED, InWEnt). GTZ Division 42 – State and Democracy – is the mandated centre for the key themes of poverty reduction, human rights, gender equality, anti-corruption and peacebuilding. We shall outline these below.

2.1 Poverty reduction

Successful poverty reduction is a key outcome of good governance. In our advisory services, we make a contribution to social inclusion by promoting greater equality of opportunity and income. It is essential that we ensure rights and enable underprivileged sections of the population to participate in the political process. In addition, it is also essential that the state apparatus is capable of governing and providing services to its citizens.

Pursuant to its guiding principle of sustainable development, GTZ assists its partners in reaching the Millennium Development Goals (MDGs) and implementing the Millennium Declaration of the United Nations by supporting pro-poor national development strategies. After all, global development is only possible through successful and sustainable poverty reduction.



Division 42 – State and Democracy – supports BMZ in upgrading poverty impact assessment and improving the poverty alignment of programme-based approaches. It advises projects in bringing their measures more closely into line with poverty reduction, and supports the mainstreaming of pro-poor strategies and guidelines within GTZ.

2.2 Human rights

It is increasingly acknowledged that implementing all human rights is important for the development of states. The Millennium Declaration also cites the close correlation between human rights and development.

German development assistance subscribes to human rights standards and principles. Beyond specific thematic projects, the principles of participation and empowerment, transparency and accountability, non-discrimination, and equal opportunities apply to all sectors, as do the relevant human rights standards for the respective sector (e.g. right to water).

German development co-operation thus looks to provide effective support to its partner countries in meeting their human rights obligations. Essentially, this concerns social reforms to enable people to claim their rights and exercise them, including the establishment and development of national and regional human rights institutions.

We support BMZ in aligning sectoral and country strategies with human rights issues. In an advisory capacity, we represent and support BMZ in international processes, e.g. in the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC) as well as in selected working groups of the United Nations Human Rights Council. Moreover, we advise German development projects in mainstreaming the human rights approach in practice and train principal advisers in BMZ and implementing organisations.

2.3 Gender equality

Gender equality is an indicator for good governance. Accounting for the different needs of women and men in political decision-making processes is conducive to social development and pro-poor-based growth.

The keys to gender equality are equal access to and control over resources and power. Strengthening the social status of women is one of the decisive challenges of our time worldwide, calling for pro-active policy-making and goal-oriented action.

Division 42 – State and Democracy – advises and supports BMZ in implementing its own and international goals for achieving genuine equal rights for men and women. It does this as part of German development assistance but also in collaboration with other development actors, at the OECD-DAC level, for instance.



We also engage in technical co-operation (TC) measures. These involve implementing national gender policies in partner countries, combatting trafficking of women and violence against them, strengthening their economic role, promoting gender equality, building gender competency through organisational development, and advancing women's rights in Islam. Finally, we provide advice on mainstreaming the issue of women's empowerment in the implementing organisations of German development co-operation.

2.4 Peacebuilding

“Stay engaged, but differently.” This TC motto for engagement in fragile states also holds true for violent conflicts in partner countries. Instead of being suspended, co-operation is usually continued even in acute or potential crisis countries.

Since an increasing number of nations are classified as crisis-prone, TC pays more attention to ensuring that its modes of operation and its sectoral programme and project objectives also contribute to dealing with the causes of crises and their development. Our methods and tools help German development co-operation to cope adequately with these challenges.

Furthermore, we also engage in direct peacebuilding during conflict and in post-war situations, where we provide advice to local reconciliation or mediation initiatives from within civil society, and support the facilitation of networking, for example. Peacebuilding measures are often also embedded in reconstruction or food security programmes.

2.5 Combatting corruption

Corruption is a result of bad governance. Achieving freedom from corruption is a challenge facing societies in developing countries.

The fight against corruption also aims at safeguarding development funds so as to maintain the reputation of development organisations. This includes promoting measures to develop competency in combating corruption in TC projects.

We support BMZ in its alignment with international anti-corruption regimes as they bear on development policy in our partner countries and German development assistance. Finally, we contribute to international processes at the OECD-DAC, in the U4 Partnership and at the conference of the parties to the UN Convention against Corruption.



3. How we work: contracts, networks, products³

At Division 42 – State and Democracy – we primarily support the GTZ regional departments, which for their part run projects for German and international clients. We advise these departments concerning projects and programmes in the field and in their work with co-operation partners, as well as at GTZ Head Office in Germany.

We increasingly also provide advice to BMZ directly, for instance in the strategic design of new themes and modes of delivery. In this area we are currently carrying out more than fifteen advisory projects (referred to as sector projects), including security sector reform, implementing the UN Convention against Corruption, promoting gender equality or mainstreaming human rights in development co-operation.

In addition to this, we regularly bear responsibility for development-oriented emergency and transitional assistance projects initiated by BMZ in response to emergencies and calls for assistance from different parts of the world.

Where not explicitly connected with sector project tasks, we interlink our work with GTZ via our co-organisation of in-house sector networks and our collaboration in national and international expert networks (academia, regional development banks, OECD-DAC, associations). The systematic compilation of empirical knowledge and knowledge management is one of our core tasks.

To improve this networking, but also to sharpen the profile of key governance themes, the Division has put together a governance cluster. The cluster stands for the governance theme in its diverse forms, and therefore also encompasses sectoral projects in gender, human rights, democracy and governance.

The cluster's task is to harness the potential for governance and develop specific new fields of application outside the Division.

Three sections mirror the Division's range of expertise:

- Prevention, security and peace
- Public sector governance – public finance, public administration, anticorruption, and law and justice
- Decentralisation, regional governance, municipal and urban development

Three 'priority areas' support contract management and the substantive strategies of the Division. Apart from governance, these are structural poverty reduction and emergency and transitional aid, which is in charge of running a large number of related projects/programmes.

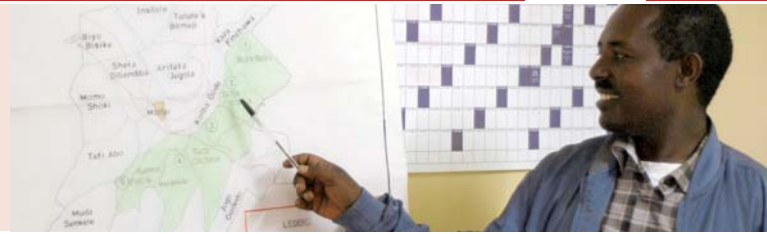
The professional expertise and experience of the Division, and indeed that of GTZ as a whole, is bundled into products:

3.1 Transparent, efficient and citizen-friendly state institutions

Decentralisation/Regionalisation (product 005):

GTZ supports the reform process of delegating political power, tasks and resources, as well as co-operation amongst the stakeholders at the national, regional and local levels. With a view to good governance, it advises on the structure of domestic fiscal, administrative, and political affairs. Promoting political-administrative regionalisation means supporting coordination efforts in the region and developing relevant institutions. In Division 42 – State and Democracy – we develop capacity and support processes for regional convergence. With the participation of the private sector and citizenry, we also promote urban and metropolitan regions in managing sustainable spatial development.

³ Products summarise GTZ's know-how within specific thematic areas.



In addition to these services, we provide advice on structural economic change and assist nations in their endeavours to harness regional and endogenous potential.

For example:

Decentralised governance and poverty reduction support, Bolivia

Public finance reform (product 021):

By helping to reform public financial management via co-operation with finance ministries, parliaments, courts of audit and subnational administrations, GTZ supports partner countries in making public finance more transparent, efficient and beneficial to the poor and provides citizens with an effective means of holding their government accountable. Advice is provided concerning revenue, budgeting, financial auditing and organising domestic financial relations.

For example:

Revenue mobilisation support project (good financial governance), Ghana

Public administration (product 124):

Our work in public administration contributes to supporting reform efforts in partner countries, to strengthening the state apparatus in its core tasks and to improving efficiency, transparency and management for results in the public sector. GTZ provides strategic advice on reforming the public service. We help support organisational development in public administrations by building capacity and we advance IT projects in administrations, and advise on e-government.

For example:

Capacity building in the government and administration system, Ethiopia

Capacity development for public financial management in programme-based approaches/ public finance reform (product 117):

Here, GTZ's work consists of combining capacity development approaches in public finance in partner countries with short-term analyses on behalf of donors. We advise our partners in reforming the budgetary system, revenue policy and administration (taxes and duties), external financial auditing (courts of audit) and organising domestic financial relations (fiscal decentralisation).

For example:

Strengthening transparent and pro-development budget processes, Kenya

Urban and municipal development (product 129):

GTZ enables providers to deliver municipal public goods and services in a more efficient and equitable way and afford as many people as possible access to the opportunities available in urban life. We support institutional municipal reforms and provide advice in organisational development, in local political and administrative reforms or in municipal financial management.

For example:

Participatory development programme in urban areas, Egypt



3.2 Democratic rule of law

Legal and judicial reform (product 121):

A comprehensive approach in providing advice at the different institutional levels of legal judicial systems, in legislation and jurisprudence, in access to justice and law enforcement helps to promote legal certainty and the rule of law. GTZ supports governments and state organisations in establishing and improving this kind of legal order, which prescribes a set of rules for all actors to abide by, and assists in implementing judicial and legal reforms.

For example:

Supporting the legal and judiciary systems, Georgia

Security sector reform (product 120):

As concerns security sector reform, GTZ aims at improving democratic oversight over the security sector in partner countries and raising the efficiency of public security services. GTZ supports its partners in defining national security interests that are in keeping with democratic, legal standards, in involving the public and in reforming security sector capabilities and institutions accordingly.

For example:

Security-policy advice to the government of Azerbaijan in drafting a national security strategy

Promotion of civil society participation (product 123):

GTZ promotes the participation of civil society in political processes and public service delivery. Political decision-makers derive their legitimacy from ongoing feedback and negotiating processes with an informed, organised and articulate civil society. Promoting participation between elections is therefore an important field of activity.

We advise state agencies on how to establish channels and set rules for civic participation in political processes, and enable them to deal with these. We also provide advice on improving individuals' access to public services and their chances of exercising their rights.

For example:

Strengthening good governance and civic participation in selected regions, Bolivia

Promoting democracy (product 126):

Democratisation processes now afford GTZ a diverse field of activity for supporting democracy as a principle and as a political system in partner countries.

Co-operation is not just concerned with the democratic legitimacy of formal arrangements and institutions. In a living democracy, political processes and policy implementation must also proceed along democratic lines and under democratic oversight. Many major fields of activity in democracy promotion in the broader sense are already included in the products outlined elsewhere in this service overview. Promoting democracy in the narrower sense, as addressed in this product, comprises the following themes: promotion of parliaments and the media, and support for elections. On the basis of agreements concluded, it is indispensable to consult with the German political foundations⁴, especially in matters concerning parliamentary/media promotion and electoral support. Co-operation is largely governed by the Berlin Declaration. Development measures can make a direct contribution to democratising decision-making mechanisms and processes, and also support partner countries in framing legal, economic and social conditions that facilitate democratic transition.

For example:

Advice to BMZ in promoting good governance and democracy through German development co-operation; enabling parliaments to introduce poverty reduction strategies (see also product 151)

⁴ Friedrich-Ebert-Stiftung e.V., Konrad-Adenauer-Stiftung e.V., Heinrich-Böll-Stiftung, u.a.



3.3 Securing livelihoods in emergencies and crises

Food security in the context of conflicts and disasters (product 027):

Food security programmes in crises and conflicts aim at restoring the conditions for sustainable development by contributing to food security, conflict de-escalation and stabilisation. This promotes the individual, institutional, and physical preconditions for sustainable development.

For example:

Stabilisation of the food security situation as a contribution to peace-building in Casamance, Senegal

Disaster risk management (product 030):

Disaster risk management is aimed at the sustainable reduction of disaster risk through the systematic mainstreaming of preventive measures as an integral component of development strategies at the national and local levels. We provide partners with a tailor-made service package for reducing the vulnerability of communities to disaster. Particular importance is attached to participation and to strengthening local and municipal capacity.

For example:

Early-warning and disaster risk management in Zeravshan Valley, Tajikistan

Reconstruction for crisis prevention (product 054):

Reconstruction for crisis prevention is concerned with improving the social and economic conditions of life for the population afflicted by hostilities or natural disasters. Besides guaranteeing human security, the measures comprise physical and economic reconstruction as well as the promotion and support of political and social institutions.

For example:

Development-oriented emergency aid in the Kunduz and Badakhshan region, Afghanistan

Development-oriented emergency and transitional aid (product 118):

Development-oriented emergency aid allows the population of an afflicted area to survive on its own. By strengthening capabilities to cope with and, beyond that, prevent crises and disasters, it makes a substantial contribution to safeguarding livelihoods.

For example:

Post-tsunami emergency and transitional assistance in Aceh, Indonesia

3.4 Key developmental themes

Pro-poor governance (product 151):

Drawing on its long-standing experience in advising partner countries with very disparate poverty and governance conditions, GTZ supports pro-poor governance with several modules. Compiling GTZ's current empirical knowledge in a compact form, these modular approaches provide guidelines for development co-operation in the area of pro-poor governance. Major complementary products are implementation strategies for pro-poor-based growth and social justice, and monitoring for development results.

For example:

Advice on implementing the Armenian Poverty Reduction Strategy (PRS)

Human rights (product 128):

GTZ advises governments and state organisations on how to respect, safeguard and guarantee human rights. This includes strengthening the police force under its constitutional mandate, ensuring that criminal law and procedure are in compliance with human rights, and enabling legal and judicial institutions to operate effectively. We promote accountability mechanisms needed for guaranteeing and exercising human rights, also at the non-governmental level, through political participation and dialogue platforms between state and society.



We also assist regional human rights institutions, such as the African Court on Human and People's Rights. Finally, we advise BMZ and the other implementing organisations on mainstreaming the human rights approach at policy and operational levels, that is, in applying it broadly across sectors.

For example:

Advice to BMZ in implementing the human rights approach in German development co-operation in the Kenyan water sector

Gender (product 006):

GTZ assists its partners in aligning their public services, policies and programmes with the gender-specific needs of their populations. It enables them to guarantee the equitable participation of women and men in national development through shaping central and local, political, economic, legal and social frameworks. For example, we support the promotion of women's rights in legal reforms. Moreover, we promote approaches to combatting violence against women and international trafficking of women.

For example:

Promotion of legal and social empowerment of women, Bangladesh

Crisis prevention and peacebuilding (product 119):

GTZ supports its partners in gearing country and sector programmes to the prevention of hostilities. We promote complex programmes for social, political and economic stabilisation and peacebuilding. We strengthen methods and competencies in conflict transformation and support education for peace – especially among the young. We advise transregional organisations so that they are better able to perform their tasks of political conciliation and stabilisation.

For example:

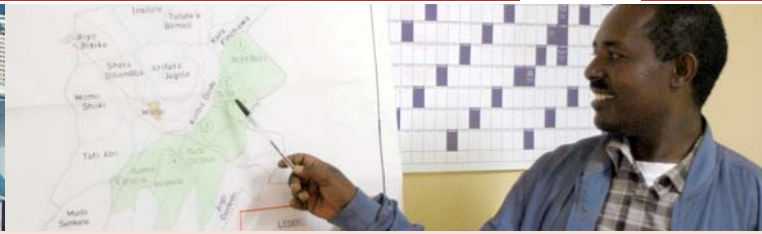
Support to the African Union peace and security agenda, Ethiopia

Corruption prevention (product 127):

We see corruption prevention as a multisectoral task. Systems and incentives that encourage corruption are identified and the institutions receiving advice are assisted through suitable, sectoral approaches in abiding by the principles of integrity, transparency and accountability when conducting their tasks.

For example:

Support for the Anti-Corruption Commission, Indonesia



State and society in transition, emerging and anchor countries

1. Transition, emerging and anchor countries: regional drivers

The old division of the world into North and South or into the First, Second and Third World is not helpful in meeting the growing challenges facing the community of nations at the global and regional levels. Changes have brought different states together in new groups. What they share in common is that although they no longer rate as 'classic' developing countries, they are still partners of development co-operation.

International co-operation has tried to define these new groups of countries by applying various criteria. Always included as a rule are countries that

- play a key role for the economic or political development of certain regions (supremacy, driving force or disruptive factor) or
- by virtue of their size themselves count as an important factor in mastering global challenges, such as poverty reduction in pursuance of the Millennium Development Goals, a world security architecture and the general development of global governance and global structural policy.

BMZ applies these criteria for defining 'anchor countries' as a relatively new group comprising Argentina, Brazil, China, Egypt, India, Indonesia, Iran, Mexico, Nigeria, Pakistan, Russia, Saudi Arabia, South Africa, Thailand and Turkey.

The vaguely defined 'emerging countries' differ from the 'anchor countries' in that they do not necessarily occupy a prominent position in the regional context. Argentina, Brazil, Chile, Costa Rica, Mexico, Uruguay as well as Malaysia, Mauritius and Trinidad & Tobago count as emerging countries, for example.

Sometimes included are the oil-producing countries of the Arab peninsula, which are less relevant for development co-operation, and some South and Southeast Asian states.

The term 'transition countries' primarily denotes the former Socialist states of the ex-Soviet Union.

(The 'middle income countries' make up a large, diverse country category whose only unifying characteristic is the national gross domestic product per capita)

2. Transition, emerging and anchor countries as partners for TC in state and society

Bilateral development co-operation with the transition, emerging and anchor countries aims at forging strategic partnerships, particularly for solving regional and global problems.

In BMZ's view, work with the transition, emerging and anchor countries calls for a general reappraisal of co-operation, entailing the following:

- Seeking strategic alliances with other donors
- Requiring countries to make larger partner contributions
- Making intensive use of relationships of trust built by development co-operation in order to further political dialogue
- Linking the co-operation offers and interests of other ministries and the private sector more closely with TC
- Taking greater account of the interests of transition, emerging and anchor countries in gaining access to scientific and technical know-how

TC offers must be tailor-made, often playing the role of facilitating access to key competencies and know-how.



3. Contributions of Division 42 – State Democracy – in transition, emerging and anchor countries

Here, Division 42 – State and Democracy – contributes above all in the following areas:

- **Support to poverty reduction** through transparent political decision-making processes and pro-poor growth

For example:

China Rural Poverty Reduction and Development Programme 2001 – 2010, Poverty Monitoring (Jiangxi Province)

- **Strengthening social cohesion** amidst social heterogeneity and injustice, including protection of minorities, promotion of human rights and gender equality

For example:

Institutional development of the Ministry of Women's Affairs, Pakistan

- **Strengthening global governance** by supporting the implementation of international agreements and conventions, for instance on anti-corruption or corporate social responsibility

For example:

Advice to BMZ in implementing the UN Convention against Corruption

- **Promotion of political integration processes** at regional level

For example:

Promotion of the continental reform initiative for better governance in Africa, the New Partnership for African Development/NEPAD

- **Strengthening regional capacity and processes** for political stability and security

For example:

Advice to the regional organisation, African Union, in implementing its peace and security agenda

- **Reforming and strengthening state structures**, such as legislation and rule of law, transparency and accountability of administration, political participation and constitutional reform

For example:

Promotion of rule-of-law dialogue and legal advice, China

- **Management strategies for balanced urbanisation:** harmonising ecological, social and economic aspects, improving the quality of the environment and conditions of life for town-dwellers through innovative solutions

For example:

Eco city planning and management, China



State and society in situations of conflict and fragile statehood

1. Fragile statehood: realms of instability

Rapidly growing attention has been devoted to fragile statehood as an issue in international policymaking and in development co-operation in recent years. Whereas disintegrating states used to be perceived as isolated humanitarian disasters, fragile statehood is now known to cross borders, with regional repercussions that can jeopardise international security. This is why there has been a paradigm shift. Instead of withdrawing from fragile states to concentrate on better-governed countries ('good performers'), the precept now is – "Stay engaged, but differently". This applies in particular to development co-operation.

Situations of fragile statehood, which frequently occur in post-conflict situations, usually involve poor governance. The term pertains to states that lack the capability or the political will to perform their core duties for the population. Particular challenges facing development co-operation frequently involve weak partner capacities in the state apparatus, in the private sector and civil society, aversion to reform and government, and unwillingness to engage in dialogue.

There is also a close correlation between fragile statehood and the difficulties in attaining the Millennium Development Goals. Compared with economically and politically more stable developing countries, fragile states are much further away from accomplishing the goals.

International co-operation has tried to define groups of fragile states. As a rule, they include countries that meet the following criteria:

- Their governments receive little or no popular support.
- The state is no longer able to function or take action, and is unable to provide basic social services (e.g. in health or education) or security for the population.
- Social cohesion is weak.
- They often have a destabilising effect on neighbouring states.

About 50 countries (incl. the Palestinian Territories and Kosovo) meet these criteria. Governance stagnates at a low level or deteriorates, and many of these countries are conflict or post-conflict states. A large number of fragile states are located in sub-Saharan Africa. The classification is based on the following indices: the World Bank's Low-Income Countries Under Stress (LICUS) list, the Failed States Index and Governance Matters of the World Bank Institute.

2. TC partners within state and society in fragile states

Bilateral development co-operation in situations of fragile statehood must take account of the special challenges posed by each individual partner country. As basic criteria, BMZ applies the standard of governance and the pro/anti-development course of governmental policy in a country.



The approach based on this

- explicitly places the governance capacity and quality of the partner government at the centre of the development co-operation strategy and
- pays particular attention to prevention. In the case of a deterioration in pro-development governance, action is taken early on, also at a medium or high governance standard. Processes of change are supported even under difficult conditions.

TC has to identify the specific requirements in situations of fragile statehood and tailor its services to suit the individual cases. The essential concern is always to advance the democratic legitimacy of governments and other institutions, to enhance social cohesion, to enable the state to provide basic social services and security for the population, as well as to strengthen it as a recognised actor in the international community. In keeping with the goal of state development, strengthening the relations between state and society remains the central concern.

Important here is that the usual prerequisites for TC are completely or largely absent in situations of fragile statehood. This calls for a different mode of operation to take effective action in more difficult conditions, in line with developmental goals and principles. Because of the lack of will to reform or readiness to engage in dialogue often encountered in such situations, good governance in fragile states cannot be confined to a sector. Instead it must also be promoted as a multisectoral theme in other sectors where some forces are likely to be more amenable to reform, where measures are accepted and where there are grounds to expect an attitude of constructive ownership.

3. Contributions by Division 42 – State and Democracy – in situations of fragile statehood and poor governance (examples)

Division 42 – State and Democracy – primarily contributes at project level in the following areas:

- **Promotion of political and social participation** by responsible democratic institutions (such as national parliaments) and participation of the population

For example:

Support for the reconciliation and democratisation process, Rwanda

- **Strengthening the rule-of-law framework** for the non-violent negotiation and settlement of divergent/conflicting interests

For example:

Promoting the rule of law, Afghanistan

- **Promoting the security of the population through civilian and democratic oversight** over the security sector (especially by supporting state security institutions)

- **Citizen-friendly public administration** at the national and local/regional level through transparency, efficiency and accountability

For example:

Support to the Court of Auditors, Yemen



- **Meeting the basic needs of the population** through rapidly effective, pro-poor and non-discriminating basic social services

For example:

Strengthening peace education for women, Timor Leste

- **Setting up a stable framework** for pro-poor growth and combating economic crime

For example:

Support for the International Conference of the Great Lakes Region, Central Africa

- **Negotiation of development priorities** by local administrations, representative bodies and citizens. This alters the way municipal stakeholders interact and has a stabilising effect through pro-poor approaches. It reinforces local potential for reform while ensuring the provision of basic social services.

For example:

Urban development, Nepal

Division 42 – State and Democracy – also makes contributions at the country/portfolio level:

- Contribution to the sustained elimination of fragility via a twin-track approach: governance as the object of specific programmes and as an integral component of programmes with other focal areas

For example: Cambodia

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