



Global commitment | Local partnership

Annual Report 2005

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Imprint

The annual report of the German Development Service is an opportunity to present the work carried out in the past year by this government-financed organisation for personnel cooperation to the general public, to look at our successes and problems and consider the longer term prospects for our work. The report also presents the considerations and plans of the German Federal Government for a more unified, concentrated concept and new structure for German development cooperation and its implementing organisations. These considerations have increasingly involved DED at all levels during the period under review, an approach that will continue in 2006. Reaffirming our mandate and opening up new prospects – the following report does both.

DED as part of the German Federal Government's “joined-up development cooperation” approach

Increasingly demanding international fora and obligations are having an effect on the work of DED. The most important elements in this context are the Paris Declaration on Aid Effectiveness, the Millennium Development Goals (MDG) of halving poverty by 2015, and the German Federal Government's “joined-up development cooper-

ation policy”. Meanwhile, our fundamental goals of reducing poverty, promoting democracy and strengthening civil society have lost none of their importance. The fact that we orient our work on the basis of political priorities does not mean that we are losing touch with the local and regional level. On the contrary, meshing the activities of the decentralised development workers and their projects with the efforts of the other actors will result in greater and more sustainable impacts. By being integrated into overall programmes, the leverage and high profile of DED's commitment are further enhanced. To make better use of corporate potential in achieving sustainable poverty reduction and more equitable globalisation, DED joined the Global Compact in 2005. This initiative by UN Secretary General Kofi Annan has the goal of establishing principles of human rights, labour standards, environmental standards and combating corruption in the private sector.

Development needs peace

“Peace needs participative and inclusive structures ...”. In its work in many post-conflict countries, DED's Civil Peace Service – ZFD is showing how the possibility of participating in political and social processes and securing basic human rights

is closely connected with the issues of promoting peace and civil conflict resolution. Recalling and dealing with a violent past are essential for reconciliation and create the basis for peaceful development. Sustainable poverty reduction includes peace development and promoting socially equitable globalisation.

Special challenges – country examples

In Zimbabwe, DED as the only actor in German official development cooperation is making a decisive contribution towards improving the humanitarian situation and supporting consolidation of food safety and natural resources conservation.



Dr. Uwe Runge,
Chair of the
Administrative Board

Photo: Danerzik & Weidner

In Afghanistan, shaken by crisis, DED is the most visible institution of German development cooperation, with a strong public presence: the work of the peace experts has a very high reputation. The Sudan is another country where DED is the only German development cooperation organisation on site, making a decisive contribution towards securing peace through specific promotion of civil society and the Civil Peace Service. In Sudan, a country divided by civil war, DED has two country offices handling both programme work and the infrastructural tasks of the official representation of the Federal Republic of Germany.

In the areas of Indonesia hit by the tsunami, DED is making a substantial contribution to the German Federal Government's special programme for reconstruction.

In Haiti, Latin America's "poorhouse" with its economic and political destabilisation, DED is starting to implement poverty reduction measures together with KfW, under the General Agreement on Technical Co-operation.

Ongoing Professional Upgrading

DED was the first development cooperation organisation to face the challenge of introducing quality management at EFQM (European Foundation of Quality Management) standards in its field structure. The introductory phase was completed in all country offices at the end of 2005. A supporting programme to consolidate the quality management process will ensure the result-oriented enhancement of DED's services in its partner countries over the next two years. DED's development training concept for Germany implements the German Federal Government's programme of action for reducing poverty in its four regional training centres. Within the framework of the UN "Decade of Education for Sustainable Development", DED participated at national and Federal-State level in learning projects aimed to raising awareness of the context of the Millennium Development Goals among young people in Ger-



Photo: von Brauchitsch

Dr. Jürgen Wilhelm,
Director General

many. Three of these projects were awarded the status of "model projects".

We have achieved much, and plan to achieve even more.

We wish to thank all our members of staff for their professional commitment and high personal motivation, reflected in outstanding work for the benefit of the people in our partner countries.

Dr. Uwe Runge
Chair of the Administrative
Board

Dr. Jürgen Wilhelm
DED Director General



Photo: Alastair Penny

High quality pineapples for the European market bring in good money in Uganda.

In accordance with the goal of the German Federal Ministry for Economic Cooperation and Development – BMZ for a “Joined-up development cooperation”, DED in 2005 concentrated on focusing its profile and strategically integrating the DED contribution into the programmes of German official development cooperation.

Focusing our profile

The specific purpose of focusing our profile was to establish the unique features which distinguish DED from other official actors and which offer special advantages to German official development cooperation.

These include the role and function of DED on-site at local or regional level (micro level), its function as a bridge between the state, civil society and private sector in partner countries, strengthening the capacity for

dialogue between local civil society organisations, the direct focus on achieving poverty reduction results and DED’s low-cost personnel services. Other unique features include the assignment of DED experts in developing countries where German official development cooperation is no longer or not yet active for political and strategic reasons (placekeeper function) – examples include countries like the Sudan, Togo and Zimbabwe – and cooperation with the private sector in partner countries (South Public Private Partnership – PPP). In 2005, cooperation in the field of South PPP was expanded to other countries and advisory services and financial input increased.

To focus its technical profile, DED has developed a range of service packages which match both its own areas of competence and the BMZ priorities.

Examples include advisory services to local authorities on water sector management, improving access to microfinance services (savings and credit), HIV/AIDS workplace programmes in small and medium-sized enterprises, combating female genital mutilation etc. Some 30 service packages are planned, and will be available in mid-2006.

The DED instrument to support local organisations (LO) from 2005 on will be concentrated on one of the most important priorities of German development cooperation. In principle, advisory services and financial support are offered to those civil society organisations which have adopted the goal of promoting democracy or popular participation in implementing national poverty reduction strategies (PRS). These instruments are applied particularly in partner countries where German development cooperation has agreed on “good governance” (democracy, civil society and public administration) as a priority implementation area.

Where DED has so far devoted much of its measures to the issue of HIV/AIDS, it will now lay increased emphasis on two more MDGs (4 and 5) in the health sector, specifically measures to combat malaria and child mortality and improving maternal health services.

Joining up German development cooperation

While continuing to focus its profile, emphasis has been on targeted joining up of DED into German development cooperation programmes. Besides the completed work on integrating DED contributions into the sector-priorities and profiling-processes of BMZ, DED has

played an important role in the process of formulating the priority strategy papers for the development programmes and profiles and in the country teams. Changes in international and national development cooperation made it necessary to re-define DED's tasks and roles in Germany's multilevel approach to development cooperation. The contribution for which DED is responsible is an integral element of Germany's joined-up development cooperation.

In line with this multilevel approach, the organisations in German development cooperation operate at different levels of intervention. The decisive feature here is systematic feedback of DED experience from local to national level. The multilevel approach faces not only DED but also GTZ and KfW with new challenges, particularly in terms of joint planning, implementation and evaluation of German development cooperation programmes. The first steps have been taken. For the first time, GTZ, KfW and DED have drawn up a joint offer for continuing a programme in Chad. Further joint offers, reports and evaluations are planned. The multilevel approach also gives German development cooperation an important competitive advantage over other bilateral donors.

Besides systematically joining up its contribution into German development cooperation programmes, DED has also started to further develop its personnel instruments – it recruits not only assigned experts to the field but also local professionals (LP programme). Up to now, this programme has subsidised the salaries of some 350 local experts. In future DED will significantly expand this pro-

gramme with the goal of promoting local management competence in developing countries, which is the prerequisite for bottom-up ownership in line with the Paris Declaration of March 2005.

Cooperation with the World Bank

Cooperation between the World Bank and DED takes three forms. First, the World Bank and DED cooperate in joint programmes in a partner country (e.g. a health programme in Chad which phased out at the end of 2005, and an information and communication technology (ICT) programme in Ethiopia). Second, DED has been participating in the World Bank "Staff Exchange Programme" for several years. Third, it has now been agreed to recruit DED experts for decentralised World Bank offices in eastern and southern Africa to provide assistance on methodology and sector-specific issues when applying participative methods and systematically linking the macro, meso and micro levels. Further World Bank enquiries for West Africa are on hand.

Cofinancing

For DED, cofinancing means programme packages in which a



Photo: Alastair Penny

Health is a prerequisite for development.

third party (the government of a partner country or a multilateral donor) co-funds the personnel costs for the development experts. Currently, DED is negotiating with the Ethiopian government on the assignment of over 40 experts to be cofinanced by that government under the budget aid approach for the "Engineering Capacity Building Programme".

Besides the existing financing by the Botswana government, an agreement on cofinancing has



Photo: Michael Brömmel

DED participates in the World Bank Staff Exchange Programme.



Photo: Herff

Lilli Löbsack, Head of
DED Programme Department

also been reached with South Africa, Chad and Tanzania.

Business contracts

In 2005, a DED and GTZ consortium in Bolivia submitted a joint offer to the European Union and won a contract for a five-year programme for rural development in the Yungas forest region. Together with a Belgian company, DED also won another important business contract in Mali, again from the European Union.

Other important events

- DED started work at end-2005 in east Indonesia and, for a limited period, in the Banda Aceh crisis region.
- In Syria and Jordan DED is cooperating with KfW and GTZ in the water sector, and in Haiti it is working with KfW in poverty reduction and local development.
- In September 2005 DED was officially welcomed as a new member of the Global Compact (an initiative of UN Secretary General Kofi Annan) at the International Business Forum in New York. Associated with the membership is a commitment to the German Global Compact network. DED is focusing here on assisting foreign suppliers of German industry with measures to improve safety at work and disseminate new environmental technologies.
- The introduction of the quality management system in DED's field structure based on the "European Foundation of Quality Management" (EFQM) method was completed at the end of

2005. After a supporting transition phase lasting to end 2007, the country offices will have sole responsibility for quality management from 2008 onwards. Advisory services and support by Head Office will then be provided only on a case-by-case basis.

- Since 2004 DED has been operating a knowledge management portal giving staff access to cross-cutting departmental and country documents. The field structure has had access to this portal since 2005.

DED's trainee programme for young professionals

DED's young professionals encouragement programme is a scholarship programme which enables young people entering the job market and college students to gather development policy, occupational, personal and intercultural experience in development cooperation during a one-year stay in one of DED's partner countries.

With their new qualifications, the development scholarship holders will have a better chance later of working for development cooperation institutions in Germany and abroad. 420 development scholarship holders have successfully participated in the young professionals programme since 1997.

An April 2006 BMZ report on German young professionals programmes for development cooperation attested the "high practical relevance" of the DED programme. It is the only major development cooperation training programme aimed at beginners without work or foreign experience. The young professionals programme focuses on learning by doing under the coaching and guidance of an experienced mentor.

Scholarship holders are mostly assigned at the micro level, working with state or non-governmental organisations at district or local community level. This is an important requirement for gaining experience for subsequent work in German development cooperation. DED frequently hires former development scholarship holders as development workers.

For further information see www.ded.de/nfp

Vegetable oil instead of diesel: An environmental, pro-poor PPP project

The growing shortage of petroleum and particularly its rising prices are becoming increasingly apparent worldwide. Developing countries with low foreign currency reserves, many of which have rapidly growing energy needs, are especially hard hit. Rising inflation, rising prices of exports to the industrialised nations due to higher energy prices, and the rising cost of transportation for millions of low-income people who have to travel to work every day are just a tiny part of a huge complex of social and economic problems facing our partner countries.

DED has made a start in Peru on an innovative approach to meeting these problems – substituting vegetable oil for petroleum. The project covers the cultivation of oil plants in various climatic zones in Peru, the construction of an oil mill and the introduction of conversion technology with the German company Vereinigte Werkstätten für Pflanzenöltechnologie (VWP – United Workshops for Vegetable Oil Technology).

In 2004 DED produced a study in Peru showing that the introduction of vegetable oil as a diesel substitute is economically, ecologically and socially acceptable. The Bolivian author also suggested answers to two core questions: How can sufficient area be found for cultivation without competing with food cultivation? How can the price of vegetable oil be kept significantly below that of diesel fuel? After this encouraging first step, DED soon found a suitable partner for a public-private part-

nership (PPP) in the local bus company “California”. The pilot project started in mid-2005 in the capital, Lima, and the neighbouring Supe and Pachacamac regions, and soon spread. The Peruvian environmental foundation Fondo de las Américas – FONDAM is now ensuring that the experience is collected, processed and replicated in other cities in Peru. The DED initiative also brought together the German company VWP and the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH – GTZ (German Technical Cooperation). Their joint goal was a development partnership to open up the Peruvian market for the environmentally friendly engine technology.

By June 2005, sunflowers were being harvested in Supe, sowing was completed in Pachacamac and the oil mill was close to completion. The first buses have been converted and are now carrying 200 passengers each a day – in an ecofriendly way. This, however, is just the beginning: the “California” bus company alone has 120 minibuses with a daily consumption of 5,000 litres of diesel fuel, or some 1.8 million litres a year. To fuel all the “California” buses with vegetable oil would mean growing around 1,800 hectares of sunflowers a year. This would create an additional source of income for over 900 small farmers and their families. Considering that there are around 40,000 buses in Lima’s passenger transport, the huge potential in substituting vegetable oil for diesel fuel is very visible.



Photo: Gerd Seidler

Flourishing in irrigated desert areas – oil-rich sunflowers.

DED itself is actually playing a practical pioneering role in Peru: in January 2006, it converted five of its official vehicles to vegetable oil. They drive on “Oleina”, which is made from raw palm oil. The raw palm oil is produced by small farmers in the Amazonas region under the Peruvian government’s coca substitution programme.

Gerd Seidler,
*DED PPP Regional Coordinator
for Latin America*

Indonesia: between post-tsunami reconstruction and long-term cooperation



2005: the year ...



... of reconstruction ...



... in Aceh.

The pictures of unimaginable destruction from the city of Banda Aceh after the earthquake and tsunami disaster on 26 December 2004 have made their mark. Today, large areas of the city are alive again with energy and optimism. But there is a different picture in the most severely damaged part of the city where large areas are still flooded at high tide, so that reconstruction work is proceeding slowly. The Indonesian rehabilitation and reconstruction agency and participating aid organisations are facing enormous logistical and infrastructural problems. The large number of aid measures has to be coordinated, a dam built to protect against flooding, the harbour rebuilt and housing needs more assistance, as thousands of people are still living in tent camps.

The official and nongovernmental German development cooperation was quick to respond with emergency aid on a large scale. The instruments of official German development cooperation are working in close coordination. The activities of the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH – GTZ (German Technical Cooperation), the Centrum für internationale Migration und Entwicklung – CIM, the KfW – development bank, InWEnt – Capacity Building International, Germany, the German Development Service – DED and the Federal Institute for Geosciences and Natural Resources – BGR are supported from a joint office in Banda Aceh and coordinated by the German Embassy liaison office in Banda Aceh.

The emergency aid phase has now been largely completed. The second phase, reconstruction aid with a medium term emphasis, has begun. The funds provided by the German Federal Government and private donors are the basis for the German commitment in the crisis region. Besides housing, the medium-term German reconstruction aid is concerned particularly with creating structural conditions for the region's further development. This includes German commitment in the health sector, vocational training, municipal planning and economic development.

All the organisations involved are cooperating closely in these sectors, as the example of the reconstruction of the vocational training centre in Banda Aceh shows. The vocational training centre was hit hard by the tsunami, and numerous teachers and students died. Many of the buildings were irreparably damaged, and almost the entire fittings and equipment were destroyed. Germany's good reputation in vocational training was a key factor in the decision of the Indonesian rehabilitation and reconstruction agency to give German development cooperation virtually a free hand to re-establish vocational training in Aceh province. KfW is responsible for physical reconstruction and the basic equipment of the vocational schools hit by the tsunami. In addition to equipment, GTZ is concentrating on advising vocational school administrations, with the support of DED and CIM experts. InWEnt is supporting

the reconstruction process with various training courses. Additional aid is being contributed by a German private sector initiative, Indogerm direct.

In addition to experts on vocational training, DED will send more experts on municipal planning and microfinance system development as part of cooperation projects with GTZ.

German assistance to the post-tsunami reconstruction will phase out at the end of 2009, the same year that the Indonesia rehabilitation and reconstruction agency will complete its work. The German contribution specifically targets reconstruction which is sustainable but limited in time, and not permanent development cooperation. Reconstruction aid and a successful continuation of the peace process lay the basis for long term autonomous development.

Ralf Sanftenberg,

*DED Assistant Country Director
in Indonesia*

Civil Peace Service in Cambodia

More than two decades of bloody conflict escalation and continuing hostilities with Khmer Rouge groups up to 1998 have almost entirely destroyed Cambodia's social structures. Experience of violence is still very present also at the domestic level. Cambodians are only gradually taking an active approach to non-violent conflict resolution and peace development. There are hardly any older people left who are familiar with the traditional peaceful mechanisms of conflict resolution. As a result, the civil population increasingly regard small arms – such as revolvers or even fully automatic weapons – as a status symbol and an appropriate means of settling conflicts.

The Working Group for Weapons Reduction – WGWR estimates that there are 400,000 to 900,000 small arms in circulation. Through its ZFD – Civil Peace Service – DED has accordingly been assisting this non-governmental organisation in promoting behavioural changes towards non-violent conflict transformation. Teachers and NGO staff can now attend WGWR teaching sessions on peace training, and children and young people have access to books on small arms reduction. WGWR has launched the first Cambodian media campaign on the issue of gun ownership, gun control and disarmament. Some 180,000 weapons have since been collected and destroyed.

Because the media have an important function in the process of conflict transforma-

tion in Cambodia, the Civil Peace Service is supporting the Department of Media and Communication – DMC at Phnom Penh university. Conflict sensitivity and high professional ethical standards are taught as part of journalists' training, and the DED peace experts are providing particular assistance to the department's media ethics faculty.

Not only DMC students but even children and young people are today calling for democratic and peaceful development in their country. For example, the Khmer Youth Association – KYA is encouraging young people (and particularly women, who have a major educational influence in their role as mothers) to look actively at the history of the country and identify ways of resolving conflicts and problems peacefully. A DED peace expert has been assisting the KYA since 2002. Training sessions on civilian conflict resolution have now established such a reputation that even village chiefs and political office holders attend.

DED commitment and Civil Peace Service – ZFD approaches in Cambodia have a joint goal – to influence the form and dynamic of future conflicts in Cambodia so that active violence can be avoided, terminated or at least reduced. Peace needs participative and inclusive structures which avoid outbreaks of physical violence over the long term. In this context, coming to terms with the past sooner or later is a necessary task for Cambodia as well.



Public incineration of small arms

Dr. Matthias Ries, Head of the DED Civil Peace Service "Civilian Conflict Transformation and Peace Building" division

Urban wastewater disposal and sanitation in Uganda



Photo: Manfred Marz

In Uganda's capital Kampala, the waste water problems are all too apparent.

Despite concerted and internationally coordinated support by the donor community, the urban water supply, wastewater disposal and sanitation installations in Uganda are still in a disastrous state. The lack of access to clean drinking water and organised wastewater disposal is particularly striking in the country's cities.

In the small cities, on average only one person in three has access to safe drinking water, and far fewer have hygienically acceptable sanitary facilities. About one school in four has functioning sanitary facilities, but often they lack even soap and water. There is also no organised disposal system for solid waste.

As a lead donor, German development cooperation is setting

an example in tackling the problems, and as elsewhere, is pursuing a multilevel approach. The KfW – development bank is acting as coordinator in Uganda. For the sectoral priority “water” the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH – GTZ (German Technical Cooperation) is advising the Ministry of Water and a parastatal water utility at the macro level, and DED is working at micro and meso level in medium-sized urban centres. DED focus is on municipalities, which are responsible for decentralised urban wastewater disposal. The DED water team has five goals in Uganda:

- institution building and technical capacity building for municipal supply and disposal utilities.

- supplying the poor urban population with sanitary facilities.
- technical planning and costing for the disposal and treatment of household and industrial wastewater.
- cost covering for infrastructure operations and maintenance.
- local solid-waste collection and disposal.

To achieve these goals, the DED expert sets up a core team with the relevant municipal administration who jointly formulate the “Water and Sanitation Master Plan”. This describes the exact technical, financial and administrative requirements. Once a plan is completed after six months, it is jointly adopted with the municipal administration, and the core team starts to implement the measures. The “Water and Sanitation Master Plan” is intended as a script to attract funds for technical implementation and to show those responsible in municipal administrations how to continue the agreed measures when the DED expert is no longer on site. This work is integrated into the RUWAS (Reform of Urban Water and Sanitation) project funded by GTZ. Under this, eight DED experts in Uganda are integrated into the project, and in 2007 an additional two local experts in the cities of Kitgum and Moroto will help develop the water sector in the still insecure north-east of Uganda.

Jörg Struss,
*DED Water Sector Coordinator
in Uganda*

“Our forest is like a honeypot ...” – local development in Mali

“... they all come here to nibble,” says a mayor in Mali whose forest is a source of firewood, construction materials, quarries and pasture. The community has virtually no income from this utilisation, but suffers all the ecological damage. In 1999, local authority elections were held for the first time in 703 newly created rural local authorities. The step towards decentralisation brought the hope of greater closeness to the population, and services which were more efficient and relevant. The rural local authorities were given responsibility for general administration, development planning and the basic infrastructure. However, other functions which involve significant development potential for such local authorities were not transferred to them, for example managing natural resources such as forest, water and pasture. State agencies and other sceptics argued that local community representatives would lack the technical expertise and the shortage of funds would encourage predatory exploitation.

However, as funds become increasingly scarce the public service-units are also facing a difficult task. The soaring demand for fuel is leading to uncontrolled logging, causing erosion. This in turn is resulting in silting up of rivers and the competition for resources is provoking conflicts between user groups.

The German cooperation project “Programme d’Appui aux Collectivités Territoriales” – PACT is assisting local authorities in their task of promoting sustainable local development. Five DED experts are involved, together with staff of other official German development-cooperation implementing organisations.

The local authorities face the major challenge of bringing the different actors together at one table, encouraging them to identify their common interests, discuss the consequences of overusing resources, and also find joint solutions for sustainable management. Organising a dialogue of this type is consolidating the position of the local authorities with their people and promoting mutual trust. These negotiation processes result in agreements governing access to and utilisation of resources.

The Bellen local authority succeeded in consolidating its position through a cooperation agreement which now enables it to administer logging rights autonomously. This not only means more income for the local authority treasury but also makes it possible to engage in active resource management. To ensure that this is not an isolated result and the desired transfer of competences to local authorities actually happens, PACT is not only operating at local authority level but incorporating its experience into the national debates. A helpful factor is that since July 2005 DED’s Michaela



Photo: Manfred Matz

This is a power station.
It supplies energy for cooking.

Braun-Yao has been priority coordinator for all the German development cooperation activities in rural development and resource conservation.

Dr. Michaela Braun-Yao,
*DED Development Worker
in Mali*



Photo: DED

DED returnees systematically pass on their knowledge.

Returnees

Every year, some 300 development workers and their families return to Germany after several years of foreign assignment. Very few of them have been seconded to the development service by their former employers, and most of them have to look for a job when they return. Reintegration into German life is not easy. DED is working to help them. At the start of 2005, “returnee days” were introduced: development workers returning to Germany were invited to one-and-a-half day events at the Head Office, to review their experiences abroad. Other issues covered are professional reintegration, involving the various German government specialist recruitment and placement agencies (“Zentrale Arbeitsvermittlung – ZAV“, “Agentur für Arbeit” and “Förderungswerk”).

There are opportunities for individual meetings with the heads of DED sectoral and regional offices, administrative contract processing and for a final medical examination.

The evaluation of the “returnee days” after the first year has

shown a high level of satisfaction among participants. A growing number of people are staying in touch with DED and are interested in development aid educational work in Germany.

Development Education – Global Learning

In 2005, DED experts returning from developing countries held 1,260 educational events reaching over 31,000 people. The vast majority of the events target children and young people. DED’s concept for education in development policy is a contribution towards the German Federal Government’s Action Programme to Combat Poverty. Programme development and quality management are coordinated by the DED Head Office in Bonn. Concrete implementation is through the School Programme Berlin and four Regional Education Centres in Düsseldorf, Göttingen, Reutlingen and Weimar, headed by former development workers.

DED supports other organisations by assigning experienced returnees who design individual lessons, project days or entire project weeks; they contribute to programmes of non-school



Photo: DED

“What do cell phones have to do with development?” – the subject of a workshop at the Düsseldorf regional training centre.

educational institutions, participate in developing higher-education courses and take part in development awareness days.

Another field of activity for the Regional Education Centres and the School Programme Berlin is developing teaching material for global learning for various target groups, which is used by both the returnee lecturers and other instructors. The material is developed in cooperation with DED projects in partner countries.

DED participates at national and Federal-State level in the “Decade of Education for Sustainable Development”. Special highlights in 2005 and early 2006:

- The action model “Education for all”, addressing Millennium Development Goals 2 and 3.
- The recognition of DED educational work as a model project for the “Decade of Education for Sustainable Development”.
- The award to the project “Training forests – Ghana”, a cooperation project of the Göttingen Regional Education Centre.
- The theatre workshop “No excuse” at the Bayreuth Youth Festival, in cooperation with the UN Millennium Campaign in Germany.
- The award to the model project “Global learning in kindergarten (daycare)” as a Decade project of the Federal State of Thüringen.



Photo: Herff

Dr. Otti Stein,
Head of Section:
Returning Development
Workers, Global Learning

- The consolidation and expansion of cooperation with the Telekom Berlin training centre on designing an annual “Values” week within the Telekom training programme.

DED educational work is integrated into DED quality management. The focus is on “communication”, “working with returnees”, “designing co-operation”, “developing offers” and “quality of educational events”. The new magazine “Education meets development – development education by returnees” offers a picture of the work of the Regional Education Centres.

*Dr. Otti Stein, Head of
Section Development Education*



**A w a r d e d a s
official Project of
the World Decade
2 0 0 5 / 2 0 0 6**



Photo: Herff

Günter Könsgen,
Head of Administrative
Department

The central task of the Administrative Department is to supply the necessary human, financial and logistical resources as they are needed for the work of DED in Germany and abroad. The corporate guidelines, strategy, human resources development concept and guidelines for management and co-operation are the basis for our staff's actions. Supplementing and consolidating instruments of human resources development, modernising administrative processes and IT technology, and ongoing elaboration of the system of contracts and benefits for development workers are all important factors in the continuing work of DED to be able to cope with future challenges.

Human Resources

Being one of the leading development services for personnel cooperation, DED had an average of 1,000 development workers under contract in the year under review (with 1,100 family members) in 46 partner countries, employed some 235 per-

manent staff-members in Germany and abroad with 246 local staff-members in the DED offices, and promoted 357 local professionals working in the partner organisations.

Development workers

Human Resources | Development workers, men and women, provide their services in developing countries to "contribute towards the progress of such countries by cooperating in a spirit of partnership!" (para. 1, section 1 (1) Development Workers Act – EhfG). Development workers do not receive a salary in the normal sense, but instead get living allowances and various social security benefits for themselves and their dependents. The variety of these benefits is shown on the cost overview (which does not show all items such as the expense for "accommodation in kind"). The individual expense items show that the needs and customs in the partner country or at the project location are taken into account; the main item being the substantial subsidy for schooling when development workers' children are of the relevant age. This example also indicates how the age structure and family situation of development workers have evolved in a long-term comparison, and that DED is keeping abreast of this changing situation.

DED has developed a new benefit system for development workers and agreed it with BMZ. The key elements are:

- increasing self-responsibility of development workers,
- greater ability to plan for development workers,
- balanced treatment of single and married people,
- consideration of greater occupational experience and age, and

→ significantly simpler administration.

These goals are achieved through a series of flat rate payments and the transfer of a significant portion of the current reintegration allowance to the monthly benefits. There is no change, however, in the uniform living allowance for all occupational groups. However, there is a new three-step monthly basic allowance which reflects the length of activity as a development worker (by analogy with the previous system of reintegration allowances).

The modified benefit system is an important contribution to DED's future viability. The German Federal Ministry for Economic Cooperation and Development – BMZ supported the introduction of the reformed benefit system and forwarded it to the German Federal Ministry of Finance in 2005. Like the previous system of living allowances, the new reformed system complies with the provisions of the Development Worker Act and will not affect costs.

Preparation | The qualification-upgrading of development workers includes inhouse preparation, training and language courses at the InWEnt Training Centre for Development Cooperation (VEZ in Bad Honnef) and preparation in the partner country. At the 14-day inhouse preparation sessions (ten courses in 2005) development workers are introduced to the DED's style of working and corporate culture, learn about their future role and are introduced to the tasks in the project. The training, language and country study courses at VEZ supplement participants' personal knowledge and skills with regard to their future project work.

Living allowances and social security contributions 2005*

| | |
|---|------------------------|
| Living allowance, inc. vacation allowance | 14.735.026,98 € |
| Reintegration allowance | 4.063.238,31 € |
| Equipment allowance | 1.626.853,68 € |
| Transport and storage of personal effects | 756.113,88 € |
| Schooling allowance | 781.112,57 € |
| Security costs | 440.410,89 € |
| Insurance of movable property | 101.213,04 € |
| Accident insurance for family members | 27.623,56 € |
| Liability insurance | 8.161,16 € |
| Pension contribution to social security funds | 6.940.539,13 € |
| Health and nursing care insurance | 1.866.287,47 € |
| Premiums for suspended health insurance | 290.113,34 € |
| VBL – additional pension levy | 134.131,48 € |
| Total expenditure | 31.770.825,49 € |

* excl. ZFD development workers; excl. accommodation costs etc.

In 2005 a total of 423 participants were trained, including 60 partners accompanying development workers, 83 development trainees and 29 development workers on home leave. Preparation in the partner country is tailored to the needs of the experts at their project locations and complements the inhouse preparation. Development workers are familiarised with the projects and the cultural and institutional context of their future work. They also learn about the structures of DED and its local cooperation partners.

If necessary, further assistance is provided with learning the local language. In 2005 three six-week coordinator briefing courses were held for a total of 30 participants.

Permanent staff in Germany and abroad

In the 2005 financial year DED had 175 permanent staff positions in Germany and abroad, 122 of which are classed in staffing schedule A (staff in Germany) and 53 in schedule B (staff abroad); compared with the previous year, this represents a reduction of 1.5 positions, relating solely to staff in Germany.

However, additional funding from the Anti-Terror Programme, the 2015 Programme of Action and through cooperative undertakings made it possible to further expand DED activities significantly, so that the number of employees rose by 21 compared to the previous year, to 244 (31 December).

DED's training activities and internship programme were also further expanded. In addition to the 175 permanent staff-

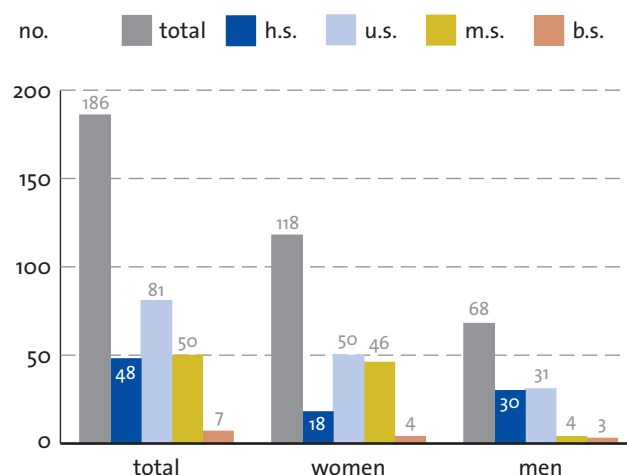
members, there are three trainee positions, and this number was increased to six in the 2006 financial year. In anticipation of these new trainee positions and after organising the necessary space, two more trainee places were filled in November 2005, so that five young people are now undergoing training at DED. In addition, 60 interns completed practical training sessions alongside their university studies.

In the gender-specific breakdown of staffing, the trend in earlier years towards greater gender equality was not maintained in the Head-Office in 2005. The share of women in the higher-service salary grade in the Head-Office remained at the previous year's level of 37.5%, while it decreased slightly in the upper, middle and basic service grades, where it is particularly high. In our staff abroad, the percentage of women in the higher service grade also decreased, dropping to 15.15%. However, this decline was almost compensated for by the significant growth of 12.5 percentage points to 48% in the upper grade, giving an overall slight decrease in the share of women in our staff abroad to 29.31%.

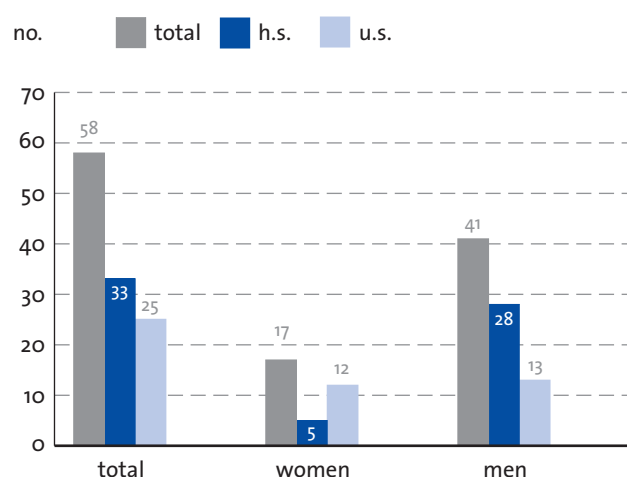
Overall, in the Head-Office and DED-offices abroad, the share of women staff was 55.32%, an increase of 0.6 percentage points on the previous year.

Human resources development and advanced training In addition to other measures, a priority human resources development activity in the period under review was specific assistance with competence upgrading abroad. In particular, upgrading measures were custom-tailored to match the specific needs of

Staff by grade – Germany 2005



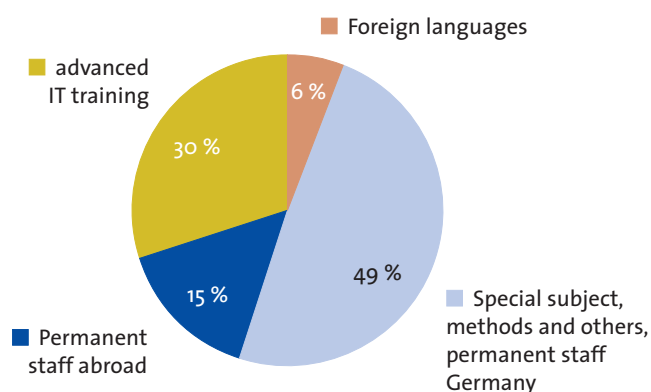
Staff by grade – abroad 2005



permanent field staff. Furthermore, staff in Germany benefited from targeted preparatory training, also in the scope of promotion circles, so that in the year under review four staff members from this programme were able to take up posts abroad. Field staff were also trained in holding staff assessment talks and were integrated into the annual round of personnel assessment talks. Training was also provided in all four regions for permanent staff and for regular and local staff with administrative responsibilities.

h.s. = higher service
u.s. = upper service
m.s. = middle service
b.s. = basic service

Training and upgrading 2005 – an overview



As a result, the breakdown in upgrading and training costs shifted from the previous year in favour of “training and upgrading for permanent field staff” and foreign language training. Specifically, the share of foreign language courses for this staff abroad rose in comparison with the previous year from 12% to 15%, and total costs of foreign language courses from 5% to 6% in the period under review. In all EUR 124,000 was budgeted in 2005 for training and upgrading measures.

Local staff, promotion of local professionals

At the end of the year DED had

246 local staff-members in 46 host countries. The service contracts were in line with prevailing local legislation and regulations. Local staff provide essential services in DED offices and for the project activities of the development workers, for example in administration or language training. Currently, DED has – among other local staff – 24 administrative assistants, three programme assistants and seven language tutors.

Promotion of local professionals is an integral part of the programmes and projects and strengthens DED’s contribution to the given priority activity area. During the year under review, DED promoted 357 local professionals with a total of EUR 966,843. The local professionals were assisted with salary or training and upgrading grants under human resource development measures. The primary goal is institution building by upgrading the capacity of human resources and hence ensuring the sustainability of DED inputs.

Finance

Income and expenditure

In 2005, DED received funds amounting to EUR 86,322,000

from the Federal Budget (Departmental Budget 23, Section 2302). In addition, DED earned EUR 283,000, bringing the total amount available to EUR 86,605,000. The extent to which this income covered expenditure is shown in the adjoining table.

The available funds enabled DED to finance a total of 983 development-worker years in 2005, broken down as follows:

- 885 development-worker years in the main programme, including
 - 8 development-worker years for DED funded United Nations Volunteers,
 - 54 development-worker years for the young professionals trainee programme – NFP.
 - 44 development-worker years for Afghanistan reconstruction aid and the anti-terror programme,
 - 11 development-worker years for the special programme AP2015,
 - 5 development-worker years for cooperation with Botswana,
- 46 development-worker years in Civil Peace Services in DED projects,
- 1 development-worker year in business contracts,
- 51 development-worker years for assignment-preparation for a total of 334 development workers.

The total income available to DED was used in 2005 for the following cost items:

The additional expenditure on items 2, 4 and 5 was covered by reallocations in the 2005 budget. The underspending on item 8, ZFD programme promotion, of EUR 751,009 was made up by 30 April 2006,

| Budget | Budget 2005 | Budget 2004 | Difference |
|--|---------------|---------------|----------------|
| | target, € 000 | target, € 000 | € 000 |
| Current expenditure (budget item 687 40) | 68.000 | 64.639 | + 3.361 |
| Capital expenditure (budget item 896 40) | 3.317 | 3.159 | + 158 |
| Rent for Bonn Head Office (budget item 518 61) | 778 | 778 | + 0 |
| Direct revenue | 283 | 267 | + 16 |
| Total I (main programme) | 72.378 | 68.843 | 3.535 |
| Civil Peace Service | 14.000 | 13.107 | + 893 |
| PPP project promotion | 227 | 274 | - 47 |
| Total II (total income) | 86.605 | 82.224 | + 4.381 |

using the option of carrying over funds for the year. The under-spending of EUR 3,617 on item 9 was returned to BMZ.

Besides its funding from the German Federal Budget, DED received EUR 3,367,770.95 from projects on behalf of third parties, including earmarked funds of EUR 55,970.62 for forwarding contributions and EUR 3,115,289.35 for cooperations. In addition DED received earmarked partnership contributions totalling EUR 196,510.98 in this budget year.

Civil Peace Service – ZFD

Office In the year under review, the office for all Civilian Peace Service implementing organisations, which is located at DED Head Office, summarised project applications of all services into nine global applications which were forwarded to the responsible BMZ division. Modification applications in 2005 were reviewed and approved directly by the ZFD office. For the financial year 2005 BMZ approved a total of EUR 13,976,000.

This includes funds for forwarding to agencies involved in the ZFD totalling EUR 8,053,000, broken down as follows:

| | |
|---|----------------------|
| AGEH – Arbeitsgemeinschaft für Entwicklungshilfe (Association for Development Cooperation) | 2,383,000 |
| Forum ZFD | 1,265,000 |
| WFD – Weltfriedensdienst (World Peace Agency) | 1,706,000 |
| Kurve Wustrow (NGO for non-violent action against war, ecological destruction and social injustice) | 931,000 |
| EED – Evangelischer Entwicklungsdienst (Church Development Service) | 697,000 |
| Eirene (International Christian Service for Peace) | 575,000 |
| PBI – Peace Brigades International | 402,000 |
| CFI – Christliche Fachkräfte International (NGO that sends workers to Protestant churches and Christian organizations abroad) | 94,000 |
| Total amount transferred to other agencies: | EUR 8,053,000 |

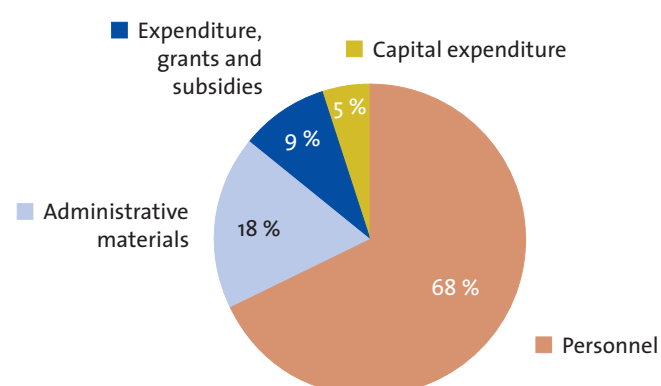
| Overall Budget 2005 | Budget | Expenditure |
|---|---------------------|---------------------|
| 1. Personnel | € 50.435.000 | € 49.011.404 |
| Expenditure block for budget appropriation number 472 01 EH UHG | | € 17.550 |
| 2. Administrative materials and equipment * | € 12.176.000 | € 12.204.299 |
| 3. Debt service | € 0 | € 0 |
| 4. Expenditures, grants and subsidies | € 5.442.000 | € 6.663.898 |
| 5. Investment | € 3.317.000 | € 3.500.346 |
| Subtotal | € 71.370.000 | € 71.397.497 |
| 6. Rent for Bonn Head Office | € 778.000 | € 778.000 |
| 7. Costs due to relocation | € 230.000 | € 202.501 |
| Total (DED main programme) | € 72.378.000 | € 72.377.998 |
| 8. Programme promotion, Civil Peace Service (ZFD) | € 14.000.000 | € 13.248.991 |
| 9. Development partnerships with the private sector | € 227.000 | € 223.383 |
| Total 1–9 | € 86.605.000 | € 85.850.372 |

* 70 % of administrative materials and equipment are used to cover costs relating to development worker assignments in partner countries.

For DED Civil Peace projects BMZ approved a total of EUR 5,923,000 in 2005. Among other purposes, this was used to fund 46 development-worker years. As at 31 December 2005, 90% of DED's own funds of EUR 5,300,000 had been used. The remaining 10% was spent in 2006, as the expenditure for the months January–April of the following year is still relevant to the costs of the previous year. The flat rate for

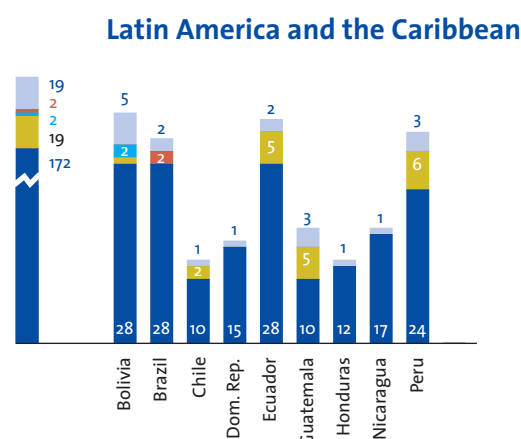
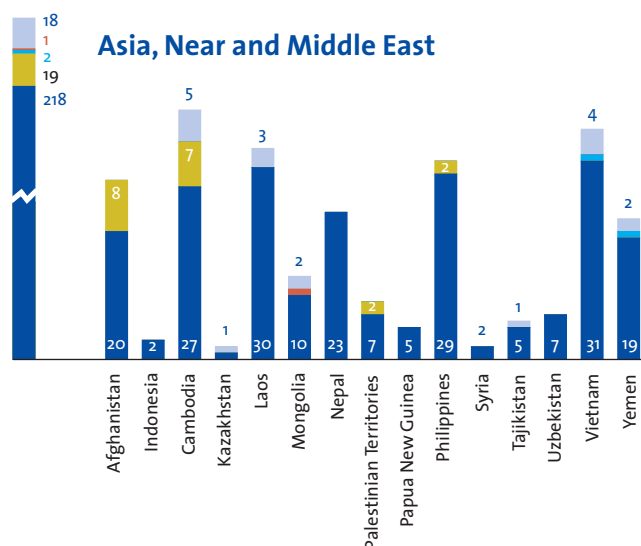
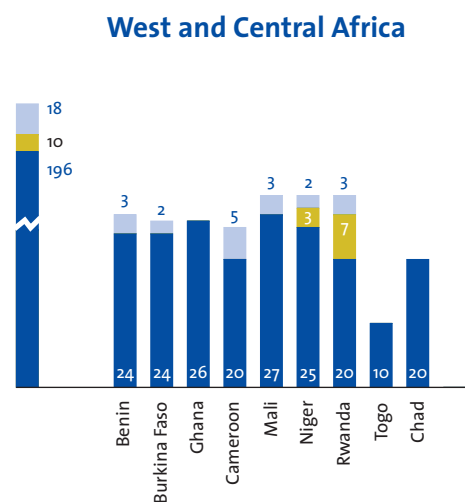
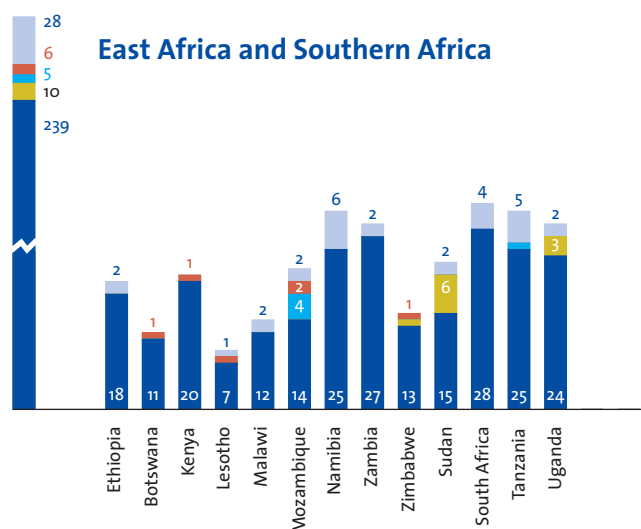
administrative costs for the ZFD office was EUR 136,000.

Expenditure 2005, DED main programme



DED in Figures 2005

Number of development workers and scholarship holders in the young professionals programme in Africa, Asia and Latin America



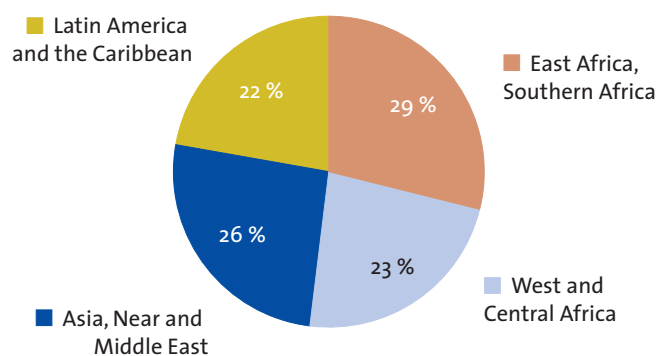
■ Development workers in DED main programme, excl. young profs.
 ■ Development workers in the Special Programme Civil Peace Service
 ■ Development workers in the Programme of Action 2015
 ■ Development workers in the UN Volunteers programme
 ■ Scholarship holders in the Young Professionals Programme

Gender breakdown of DED development workers

| | women | men |
|----------------------------------|-------------|-------------|
| East Africa, Southern Africa | 44 % | 56 % |
| West and Central Africa | 52 % | 48 % |
| Asia, Near and Middle East | 39 % | 61 % |
| Latin American and the Caribbean | 43 % | 57 % |
| Total | 44 % | 56 % |

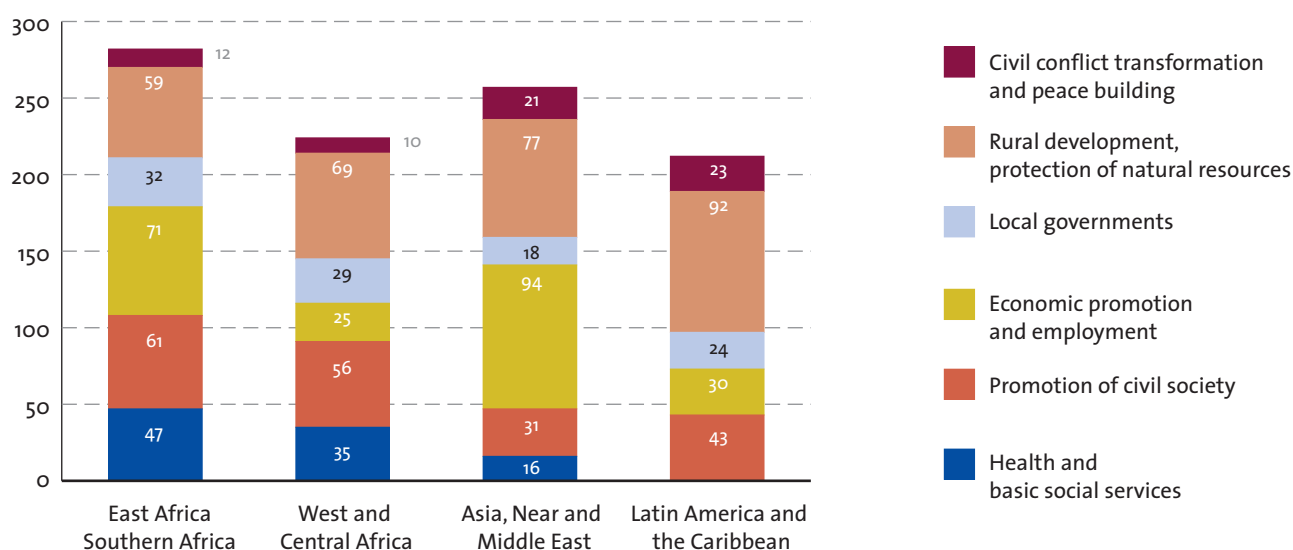
as at 31.12.2005

Regional breakdown of DED development workers



as at 31.12.2005

Sectoral and regional breakdown of DED development workers (excl. UNV)



| | Health and basic social services | Promotion of civil society | Economic promotion and employment | Local governments | Rural development, protection of natural resources | Civil conflict transformation and peace building |
|--------------------|----------------------------------|----------------------------|-----------------------------------|-------------------|--|--|
| Total (975) | 98 | 191 | 220 | 103 | 297 | 66 |
| Percentage | 10,0 % | 19,5 % | 22,5 % | 10,5 % | 30,5 % | 7,0 % |

as at 31.12.2005

| Contracted Development Workers | | | | |
|---|------------|------------|-------------|------------|
| as at | 31.12.2005 | 31.12.2004 | 31.12.2003 | 01.01.2003 |
| DED main programme | 917 | 857 | 941 | 899 |
| <i>of which young professionals trainee programme</i> | 83 | 44 | 64 | 47 |
| Civil Peace Service (ZFD) | 58 | 36 | 48 | 37 |
| Special programmes | – | – | 4 | 19 |
| EFP development workers | – | – | 4 | 12 |
| UNV programme | 10 | 6 | 11 | 6 |
| Total | 985 | 899 | 1008 | 973 |
| Average age of development workers | | | | |
| years | 41,2 | 41,4 | 40,9 | 40,4 |
| New contracts over the years | | | | |
| | 2005 | 2004 | 2003 | 2002 |
| DED main programme | 413 | 275 | 360 | 337 |
| <i>of which young professionals trainee programme</i> | 87 | 46 | 66 | 49 |
| Civil Peace Service (ZFD) | 31 | 8 | 14 | 14 |
| Special programmes | – | 0 | 5 | 33 |
| EFP development workers | – | – | 0 | 0 |
| UNV programme | 5 | 0 | 5 | 4 |
| Total | 449 | 283 | 384 | 388 |
| Average term of contracts terminated during the year | | | | |
| years | 2,7 | 2,6 | 2,7 | 2,8 |

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as at June 2006

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Global Learning and Special Tasks

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Representation of interests

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(Spokesperson)

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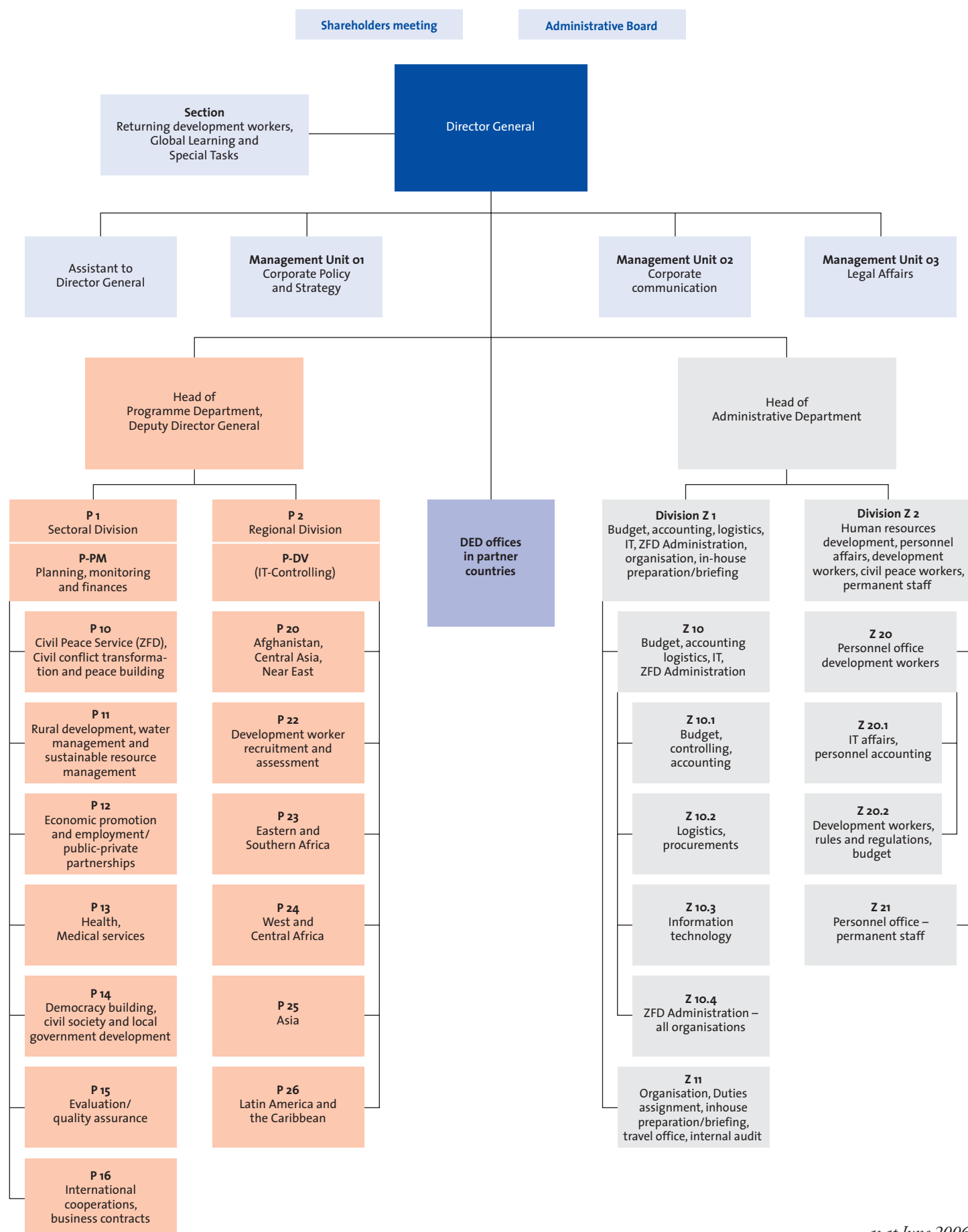
Andreas Einig

as at June 2006



Photo: Frank Wiesemann

Organisation chart



as at June 2006

DED Partner Countries

Latin America and the Caribbean

- 1 Bolivia
2. Brazil
3. Chile
4. Dominican Republic.
5. Ecuador
6. Guatemala
7. Haiti
8. Honduras
9. Nicaragua
10. Peru

West and Central Africa

- 11 Benin
- 12 Burkina Faso
- 13 Ghana
- 14 Cameroon
- 15 Mali
- 16 Niger
- 17 Rwanda
- 18 Togo
- 19 Chad

East Africa and Southern Africa

- 20 Ethiopia
- 21 Botswana
- 22 Kenya
- 23 Lesotho
- 24 Malawi
- 25 Mozambique
- 26 Namibia
- 27 Zambia
- 28 Zimbabwe
- 29 Sudan
- 30 South Africa
- 31 Tanzania
- 32 Uganda

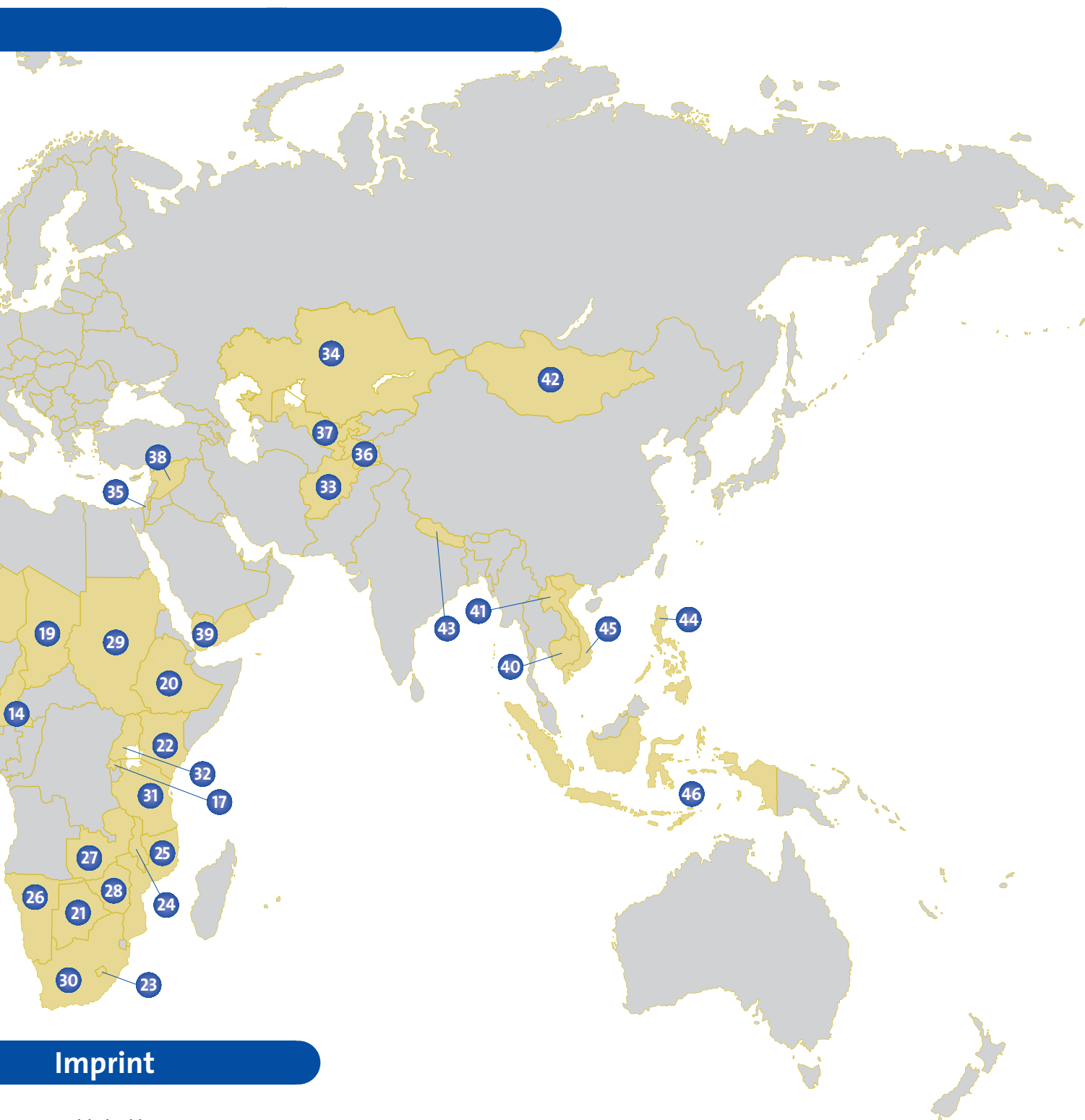
Afghanistan, Central Asia, Near East

- 33 Afghanistan
- 34 Kazakhstan
- 35 Palestinian Territories
- 36 Tajikistan
- 37 Uzbekistan
- 38 Syria
- 39 Yemen

Asia

- 40 Cambodia
- 41 Laos
- 42 Mongolia
- 43 Nepal
- 44 Philippines
- 45 Vietnam
- 46 Indonesia

as at June 2006



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