

Summary:

BMZ (Hg.): Ankerländer – Partnerländer für globale Entwicklung. Ein Positionspapier des BMZ. Bonn 2004.

The policy paper of the Federal Ministry for Economic Cooperation and Development about anchor countries is divided in four major parts: The first part is about the significance of anchor countries in general; the second part deals with the current status of cooperation with these countries; the third part shows the way from cooperation to a more extended strategic partnership with this group of countries; and the fourth part wants to give an outlook for the future.

1. The Significance of Anchor Countries

The group of anchor countries comprehends the following fifteen countries: China, India, Indonesia, Pakistan, Thailand, Egypt, Iran, Saudi Arabia, Nigeria, South Africa, Argentina, Brazil, Mexico, Russia and Turkey.

This group of countries plays a crucial role for the solution of global challenges and worldwide problems because of its economic relevance, political influence in its respective regions as well as its growing importance in global matters.

Although this group of countries is very heterogeneous, it shares some common characteristics:

- The anchor countries play an important role for the economic development in its respective region because of the huge size of its national economies. These impacts can be positive or negative on the region.
- The anchor countries have diversified national economies (except the oil-rich countries Nigeria and Saudi Arabia).
- The anchor countries play a crucial role for the political development and security in the respective region. They can be important actors in integration processes or as mediators in conflicts and take growing responsibility in regional peace missions and armed conflicts.

In order to reach the MDGs it is important to make progress with these aims particularly in the anchor countries, e. g. the aims of global poverty reduction (MDG 1) and the global protection of the environment and natural resources (MDG 7). Many

anchor countries are very important for the global political dialogue as well, especially in the context of the United Nations or the World Trade Organization.

2. Current Status of Cooperation with the Anchor Countries

Eleven of the fifteen anchor countries are currently in the list of cooperation countries of the German development cooperation: China, India, Indonesia, Pakistan, Thailand, Egypt, Nigeria, South Africa, Brazil, Mexico and Turkey. Six of them (India, Pakistan, South Africa, Indonesia, China and Turkey) are in the focus of cooperation. The cooperation shall be focused on specific sectoral and thematic areas, which are important for the respective countries.

Criteria for the success of development cooperation are the domestic environment, possibilities and prospects of success of a German contribution and efforts of other donors. Not only the German development cooperation but also multilateral development banks and the European Union acknowledge the anchor countries as central partners of cooperation.

3. From Cooperation to Strategic Partnership with the Anchor Countries

Anchor countries are considered as positive multipliers for their neighbours. Thus positive developments in the anchor countries shall have positive implications for neighbouring regions as well. The German development cooperation aims at strengthening the cooperation with the anchor countries to strategic partnerships.

There are some guide lines for the future cooperation with anchor countries:

- bilateral cooperation shall be adapted to the outstanding role of the anchor countries as well as to the future challenges
- cooperation with anchor countries shall focus on the solution of regional and global issues
- bilateral cooperation shall be adjusted with other efforts of cooperation of the EU and other bi- and multilateral donors with the anchor countries
- the efforts of the Federal Ministry for Economic Cooperation and Development shall be adjusted with the efforts of other German federal ministries as well

The German development cooperation will mainly focus on the following areas of cooperation:

Poverty Reduction

Although 70% of people living in absolute poverty are situated in six of the anchor countries, those countries do not engage enough in poverty reduction. In the centre of the political agenda of most of the anchor countries are growth, stability and security. Growth alone, however, does not directly lead to poverty reduction. Inequality in most of the anchor countries is still persisting in spite of economic growth, in some countries the gap between rich and poor people is even increasing.

Future cooperation with the anchor countries should therefore focus on the following aspects:

- Economic growth shall coincide with poverty reduction and anchor countries shall be supported for enhancing this combined process (pro poor growth).
- Enhancing the political dialogue between anchor countries and international donors in order to strengthen issues related to social cohesion.
- Strengthening the development coherence of the international trade and financial system
- Supporting corporate social responsibility
- Fostering dialogue programmes for alternative development strategies

Protection of the Global Environment

Anchor countries will have decisive influence on the possibilities, if and how sustainable and resource friendly development can be created or not. There are globally important ecosystems existing in some anchor countries. Anchor countries need to engage more in environment protection in order to make the achievement of the MDG 7 possible.

Future cooperation should therefore focus on the following aspects:

- Supporting anchor countries to implement international agreements
- Strengthening the political dialogue about environment issues
- Creating strategic partnerships with orientation on the specific necessities of the anchor countries
- Creating attractive scientific-technological systems for the anchor countries and linking scientific institutions in Europe/ Germany with the anchor countries
- Strengthening NGOs and international non-governmental networks and lobby-groups
- Intensifying cooperation with the multilateral development banks

Good Governance and Strengthening Regional Security

Development cooperation with anchor countries shall strengthen democratic institutions, the rule of law, transparency, accountability and participation of the civil society in political decision processes. Some of the anchor countries are of particular importance due to their relevance in foreign, security or peace policy issues. Anchor countries have a considerable potential for regional security and international peace promotion.

Future cooperation should therefore focus on the following aspects:

- Continuing the dialogue with the anchor countries that the MDGs are unreachable without good governance, recognition of human rights, peace and security
- Integrating the anchor countries in the international community of shared values through an intensified dialogue
- Fostering the fight against corruption
- Supporting regional integration initiatives like NEPAD

- Supporting own initiatives of anchor countries to mitigate conflicts and fostering an active role of the anchor countries

Instruments

The following instruments shall increase the effectiveness of the development cooperation:

- More coordination and coherence of different donors
- Better coordination of different federal ministries
- Concentration on selected focal points shall be continued
- Necessities of the anchor countries shall be stronger incorporated in the development cooperation
- The instruments of the technological and financial cooperation are of particular importance and shall be extended

4. Future Outlook

The economic cooperation with the anchor countries must be continued with target orientation in order to adapt it to current challenges. Linking different cooperative instruments shall enhance the establishment of strategic partnerships with the anchor countries. The concentration on a few focal points in the German development cooperation provides a good basis. Establishing strategic alliances with selected anchor countries can contribute to the process of establishing a global regulation framework.