



Federal Ministry  
for Economic Cooperation  
and Development

Core Area Strategy

# Conserving nature and natural resources, protecting life on Earth





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# List of abbreviations

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CBD                      Convention on Biological Diversity

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COP 15 (CBD)        15<sup>th</sup> Conference of the Parties of the Convention on Biological Diversity

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COP 27  
(UNFCCC)            27<sup>th</sup> Conference of the Parties of the United Nations Framework Convention  
on Climate Change

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FAO                     Food and Agriculture Organization of the United Nations

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EU                      European Union

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FCLP                    Forest and Climate Leaders' Partnership

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GBF                     Global Biodiversity Framework

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GEF                     Global Environment Facility

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GIZ                      Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

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IDB                     Inter-American Development Bank

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IWRM                    Integrated Water Resources Management

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IP&LC                  Indigenous Peoples and Local Communities

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KfW	Kreditanstalt für Wiederaufbau
NDC	Nationally Determined Contributions
NGO	Non-governmental organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
REDD	Reducing Emissions from Deforestation and Forest Degradation
SDGs	Sustainable Development Goals
UN	United Nations
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
WEF	World Economic Forum

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# SDG definitions

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SDG 1      End poverty in all its forms everywhere

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SDG 2      End hunger, achieve food security and improved nutrition and promote sustainable agriculture

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SDG 3      Ensure healthy lives and promote well-being for all at all ages

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SDG 4      Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

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SDG 5      Achieve gender equality and empower all women and girls

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SDG 6      Ensure availability and sustainable management of water and sanitation for all

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SDG 7      Ensure access to affordable, reliable, sustainable and modern energy for all

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SDG 8      Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

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SDG 9      Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

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SDG 10	Reduce inequality within and among countries
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable
SDG 12	Ensure sustainable consumption and production patterns
SDG 13	Take urgent action to combat climate change and its impacts
SDG 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
SDG 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
SDG 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

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# 1 Executive summary and key messages

Along with action to tackle the climate crisis, conserving the natural resources vital to life on Earth is key to the survival of humanity and, as such, a core focus of German development cooperation. Through its work in the core area presented in this paper, the Federal Ministry for Economic Cooperation and Development (BMZ) helps to preserve intact ecosystems and the services they provide for our lives and economies and for sustainable development for today's and tomorrow's generations. Ecosystems supply humans with air to breathe, clean water, food and natural raw materials. For them to do this, it is crucial that nature and natural resources continue to be able to function and regenerate. At the same time, ecosystems play a key role in terms of climate change mitigation and adaptation and reduction of climate risk.<sup>1</sup>

A primary source of guidance for the BMZ is the Kunming-Montreal [Global Biodiversity Framework \(GBF\)](#), which was adopted by the international community at the World Biodiversity Summit in Montreal in December 2022 (COP 15) in an effort to bring about a reversal of the huge loss of biodiversity and the destruction of ecosystems. The [Sustainable Development Goals \(SDGs\)](#) set out in the UN's 2030 Agenda for Sustainable Development and the 1.5 degree limit defined in the [Paris Agreement](#) can also only be achieved if our vital natural resources are preserved – a point to which the German government's Strategy on Climate Foreign Policy (2023) and National Water Strategy (2023) make explicit reference.

Five of the ten most severe risks to prosperity and social cohesion that the world may face in the near future are related to climate and nature. They include biodiversity

loss, ecosystem collapse and natural resource shortages.<sup>2</sup> However, international efforts to preserve these vital natural assets, maintain ecological balance and combat the climate crisis can only be successful in cooperation with developing and emerging economies, since they account for fifteen of the seventeen “megadiverse countries” with the highest level of biodiversity in the world.<sup>3</sup> Two thirds of all forestland is concentrated in a mere ten countries, six of which are located in the Global South.<sup>4</sup> In addition, public donors have a particular responsibility to protect and provide what are known as “global public goods”, such as a stable climate and a healthy environment. Through its cross-sectoral approach, the BMZ aims to harmonise the ecological, social, and economic dimensions of sustainability. German development policy thus serves as a link between the various aspects. Additionally, the BMZ strengthens collaborative solutions through its international alliances and partnerships, thereby benefiting Germany as well.

The BMZ's collaboration with partner governments and substate levels of government and administration, international and multilateral organisations, civil society, the scientific and academic community and the private and finance sectors therefore seeks to help achieve a social-ecological transformation that ensures our lives and economic activities take place within Earth's planetary boundaries. This requires a three-pronged approach, encompassing: (i) protection of the biodiversity of terrestrial, freshwater, coastal and marine ecosystems, (ii) sustainable use of natural resources and (iii) restoration of ecosystems (SDGs 14 and 15) in close combination with efforts to combat climate change and its impacts (SDG 13). The goals of availability and sustainable management of water (SDG 6) and land [degradation neutrality](#)

1 Intergovernmental Panel on Climate Change -IPCC- (2022): [Sixth Assessment Report – Summary for Policymakers](#).

2 See the [World Economic Forum Global Risks Report 2024](#). A “global risk” is defined as “the possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion of global GDP, population or natural resources”.

3 Brazil, China, Democratic Republic of Congo, Ecuador, India, Indonesia, Colombia, Madagascar, Malaysia, Mexico, Papua New Guinea, Peru, the Philippines, South Africa, Venezuela, Australia and the United States of America.

4 Brazil, China, Democratic Republic of Congo, India, Indonesia, Peru, Australia, Canada, Russia and the United States of America.



are integral components of this approach. Nature-based solutions<sup>5</sup> play an important role as they can conserve biodiversity and support climate change mitigation and adaptation as well as helping to achieve SDGs. The human rights-based approach and gender equality are guiding principles and cross-cutting tasks in the BMZ's work<sup>6</sup>. Special attention is given to marginalised and impoverished groups (SDG 1), in line with the central promise of the transformative 2030 Agenda to "leave no one behind" (LNOB).

Within the BMZ's "Conserving nature and natural resources, protecting life on Earth" core area, German development policy supports partner countries' efforts to develop and implement sustainable approaches for the protection, use and restoration of their natural resources. To this end, the BMZ pursues three overarching development policy objectives: i) to put people at the heart of measures aimed at conserving nature and natural resources, ii) to strengthen synergies between relevant sectors such as climate change mitigation and adaptation and rural development, and iii) to promote increased, diversified and nature-positive international financing (see → section 3.2).

### Areas of intervention in summary

Within each of its "core areas", the BMZ defines specific "areas of intervention", which form the focus of work in the particular core areas. In line with the reference framework applicable to the core area and the three areas of intervention, this strategy is scheduled to remain valid until 2030.

In the "Biodiversity" area of intervention, the BMZ supports i) effective protection and restoration of ecosystems, ii) sustainable value creation from and use of ecosystems, and iii) sustainable financing models for international measures to conserve biodiversity (see → section 4.1).

In the 1992 [Convention on Biological Diversity \(CBD\)](#), the countries defined as "developed" undertook to support those defined as "developing" in their efforts to finance and implement their biodiversity goals. This

undertaking was reinforced by the adoption of the GBF. However, around the globe, measures to conserve biodiversity are significantly underfunded. In September 2022, German Chancellor Olaf Scholz announced that Germany's support for international biodiversity conservation would be increased to 1.5 billion euros per year by 2025 as part of an annual 6 billion euro package for international climate finance. The BMZ will continue to be a key contributor to this support.

The BMZ's activities are guided by the transformative change that the GBF sets out to achieve, based on four goals to be met by 2050 and 23 targets to be met by 2030. The Ministry will, for instance, contribute to the effective protection of at least 30 per cent of the world's land, freshwater and seas by 2030 ("30 x 30 target") while also protecting the rights of Indigenous Peoples and local communities (IP&LCs). The BMZ's "Ecosystem restoration" initiative area provides prominent support for the GBF target of restoring 30 per cent of the world's damaged terrestrial, freshwater, coastal and marine ecosystems.

In addition, the GBF stipulates (target 19a) that developed countries and countries that voluntarily assume the obligations of developed countries are to assist developing countries in their efforts to implement the agreement by providing 20 billion US dollars per year by 2025 and 30 billion US dollars per year by 2030. The Global Environment Facility (GEF) established the Global Biodiversity Framework Fund in 2023 to support implementation. Domestic and private resources are also to be mobilised, by means of blended finance<sup>7</sup> for example, in order to provide leverage to close the investment gap.

In the "Forests" area of intervention, the BMZ actively promotes i) equitable forest conservation measures, ii) forest-friendly conditions and market environments at the national and international levels, and iii) scaled-up financing models and joint donor approaches (see → section 4.2).

5 Nature-based solutions are actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience and biodiversity benefits (see UNEA Resolution 5/5). Examples are agroforestry, rewetting peatlands and restoration of forests.

6 See the [Human Rights Strategy for German Development Policy](#).

7 "Blended finance" refers to the strategic use of development finance to mobilise additional funds for sustainable development in developing countries.

A primary point of reference for these activities is the goal adopted at COP 26 in 2021 to halt and reverse deforestation by 2030 through forest conservation, restoration and sustainable management. Forests, particularly those in tropical regions, store large quantities of carbon, are rich in biodiversity, make an important contribution to soil health, filter and store water, reduce land surface temperatures and generate fresh air. Above all, forests are also vital to the livelihoods of around one third of the world's population, serving as a source of income, food and medicine and providing protection against natural disasters. At the COP 27 climate change conference in 2022, Chancellor Scholz announced that Germany's contribution to the Global Forest Finance Pledge would be doubled from one to two billion euros by 2025. The BMZ's activities are based on the goals of the GBF, the Paris Agreement and the Glasgow Leaders' Declaration as well as the Global Forest Finance Pledge and the Forest Tenure Finance Pledge, the latter of which specifically seeks to broaden the land and resource rights of IP&LCs. Global rules designed to increase sustainability in trade and the private and finance sectors, conserve biodiversity and recognise the role forests play as carbon sinks (including such concepts as deforestation-free supply chains for agricultural commodities and a forest carbon market), are of particular significance in this regard. The BMZ also aims to ensure stronger political ambition and financial incentives for forest conservation.

In the "Water" area of intervention, the BMZ endeavours to i) realise the human right to safe and affordable water supply and sanitation services (SDG 6), ii) enhance water security by means of Integrated Water Resources Management (IWRM), and iii) promote climate change mitigation, adaptation and prevention (see → section 4.3).

Water is vital for human health, food production, as a resource and coolant for energy generation (including green hydrogen), for industry, transport, urban development and biodiversity and ecosystem integrity. It is also a fundamental component of climate mitigation and adaptation measures. In addition, where water scarcity is coupled with vulnerability, water crises can jeopardise stability and peace. On the basis of the Council Conclusions on Water in the EU's External Action (2021),

German development policy advocates the inclusion of sustainable and inclusive water use in other sectors too in order to counter the impact of inadequate sanitation and wastewater treatment on water quality, biodiversity, human health and human dignity.<sup>8</sup>

As a result of climate change and ever-increasing demand, water security is under threat in many parts of the globe. Climate-related changes in local water cycles and a high incidence of extreme weather events such as heavy rainfall and drought, lead to disasters and pose a major risk to sustainable development. It is therefore necessary to ensure better protection of scarce and degraded water resources, to restore them, use them sustainably and manage them more efficiently. IWRM is a key tool in these efforts, as reiterated at the international level by the final agreement adopted at COP 27. In some cases, the effects of climate change on water quality and availability, food security and biodiversity loss can be reduced by such means as ecosystem-based approaches and nature-based solutions (for example, agroforestry or the rewetting of wetlands and peatlands). Water, sanitation and hygiene ("WASH") measures are an important element of a comprehensive IWRM strategy since access to safe water and suitable sanitation contributes to sustainable use and conservation of water resources as well as having positive effects on health and quality of life.

In order to initiate a transformative change to achieve SDG 6 by 2030, the BMZ actively supports the implementation of the UN SDG 6 Global Acceleration Framework. By doing so, it plays a resolute part in the implementation of the 2030 Agenda and other global development agendas such as the Paris Agreement, GBF, Addis Ababa Action Agenda, [Sendai Framework for Disaster Risk Reduction](#) and the [New Urban Agenda](#)

The aim of the BMZ's "Ecosystem restoration and nature-based solutions" initiative area is to step up the Ministry's activities in the area of restoration of terrestrial, freshwater, coastal and marine ecosystems and to make a significant contribution to the United Nations Decade on Ecosystem Restoration by 2030 (see → section 4.4).

<sup>8</sup> See also the BMZ strategy paper entitled "[Practical implementation of the 2030 Agenda. Synergies and conflicts between water \(SDG6\) and other goals](#)" (2019).

# 2 Background and current situation

## 2.1 Challenges and development potential

Intact terrestrial, freshwater, coastal and marine ecosystems and availability of clean water are essential to sustainable development.

Ecosystems and their natural resources presently face major threats:

- Around one third of global land area is already degraded.<sup>9</sup>
- Every year, more than 10 million hectares of forest are lost worldwide, equating to roughly one third of the area of Germany.
- 35 per cent of global mangrove stocks have disappeared.<sup>10</sup>
- 12 per cent of the world's peatlands are degraded or drained.<sup>11</sup>
- 35 per cent of all marine fish stocks are classified as overfished.<sup>12</sup>
- Healthy coral cover has almost halved.<sup>12</sup>
- One quarter of all recorded species are at risk; as many as one million of the estimated eight million animal and plant species are threatened with extinction.<sup>13</sup>

Progressive degradation of ecosystems, scarcity of resources (especially water) and decimation of species have a significant impact on human health, (food) security and social relations. Ecosystem services, such as the provision of clean water, food and medical ingredients, purification of air and regulation of the climate, perform tasks that are crucial to life. Loss of biodiversity and ecosystem services is chiefly driven by changes in land use, particularly expansion and higher intensity of agricultural activity, urbanisation or infrastructure construction, unsustainable use of natural resources, climate change, environmental pollution and change to ecosystems caused by invasive alien species.<sup>13</sup>

According to the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), these drivers are mainly the result of indirect causes such as global production and consumption patterns, depletion of resources, population dynamics and governance deficits.<sup>13</sup> The World Economic Forum (WEF) ranks climate change, biodiversity loss and associated phenomena such as ecosystem collapse and a shortage of natural resources among the most severe threats to prosperity we may face in the near future.<sup>14</sup> Transformative change in our lifestyles and economies is therefore required (linking in with SDGs 8, 9 and 12), with a special focus on achieving a just transition, in other words the social-ecological transformation of the economy.

9 UNCCD (2022): *Global Land Outlook 2*.

10 Convention on Wetlands (2021): *The Global Wetland Outlook: Special Edition 2021*.

11 UNEP (2022): *Global Peatlands Assessment: The State of the World's Peatlands*.

12 FAO (2022): *The State of World Fisheries and Aquaculture 2022*.

13 IPBES. (2019): *Summary for policymakers of the global assessment report on biodiversity and ecosystem services (summary for policy makers)*. IPBES Plenary at its seventh session (IPBES 7, Paris, 2019).

14 WEF (2022): *Global Risks Report 2024*.

This is necessary because more than half of the global economy is dependent on ecosystems and the services they provide.<sup>15</sup> Around one third of humanity relies directly on forests and their ecosystem services to survive.<sup>16</sup> Women in particular often depend directly on access to natural resources and are therefore significantly affected by loss of biodiversity and ecosystem services. Ecosystem services are estimated to have a global economic value of 170 to 190 trillion US dollars per year,<sup>17</sup> which is approximately seven times the annual economic output of the United States of America.<sup>18</sup> Yet, political, social and economic decisions, prosperity assessments and financial markets only take a small number of these services into account. This, despite the fact that sustainable and inclusive prosperity is not possible without intact ecosystems.

The global water crisis is being exacerbated by climate and ecosystem change. Drought, heavy rainfall, flooding and other water-related hazards are responsible for 70 per cent of all natural disasters.<sup>19</sup> Without action to boost climate resilience, approximately 700 million people could be displaced due to water-related natural disasters (such as drought) by 2030.<sup>20</sup> Moreover, just under four billion people are subject to extreme water shortage for at least one month per year;<sup>21</sup> more than two billion people still lack reliable access to safe drinking water,<sup>22</sup> and 3.6 billion people lack adequate sanitation.<sup>23</sup> Those living in poverty, fragile contexts or refugee camps face the greatest risks.<sup>24</sup> Inadequate water supply, sanitation and hygiene can have a devastating impact on health and on education and income opportunities. This is especially true for young girls and women since, traditionally, they are often responsible for fetching water for the home, which can be a time-consuming task.

Conserving nature and natural resources and ensuring water security are therefore crucial to human existence and strengthen our resilience to climate change and natural disasters. It is on this basis that a healthy and sustainable environment, clean drinking water and safe sanitation are defined as human rights. IP&LCs are particularly affected by the condition of and changes in their environment. They play a central role in the conservation, sustainable use and restoration of natural habitats and are thus also pivotal to efforts to achieve global climate and biodiversity goals.

Global megatrends are having a major impact on ecosystems and natural resources:

→ Global warming and biodiversity loss are inextricably linked. As many as 18 per cent of the different kinds of terrestrial ecosystems on the planet would face extinction if the global temperature were to increase by two degrees Celsius.<sup>25</sup> At the same time, measures to conserve nature and natural resources play a key part in efforts to tackle and adapt to climate change: intact ecosystems, especially forests, oceans and peatlands, absorb approximately half of the carbon that humans emit into the atmosphere.<sup>26</sup> Consequently, in most cases, action to preserve these ecosystems also makes an active contribution to climate change mitigation and adaptation and to the reduction of climate and nature-related risks. In addition, 80 per cent of the world's wastewater remains untreated, which leads to pollution of water-related ecosystems, risks to health and emissions of greenhouse gases such as methane or nitrous oxide. As a result, five per cent of all global greenhouse gas emissions come from water supply and sanitation services.<sup>27</sup>

15 Herweijer et al (2020): [Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy](#).

16 FAO/UNEP (2020): [The State of the World's Forests 2020. Forests, biodiversity and people](#).

17 NABU e. V. & BCG (2020): [Wirtschaften im Einklang mit der Natur](#).

18 World Bank (2022): [The World Bank Data](#). In 2022, the GDP of the United States came to around 25 trillion US dollars.

19 World Bank (2022): [Water Resources Management](#).

20 UNDP (2023): [UNDP at the UN Water Conference: Robust actions needed to manage, conserve, protect water and improve lives](#).

21 UNESCO (2020): [The United Nations world water development report 2020: water and climate change](#).

22 UN Water (2021): [Summary Progress Update 2021: SDG 6 – water and sanitation for all](#).

23 WHO/UNICEF (2023): [Our lifetime opportunity to enable water, sanitation and hygiene for all. Joint WHO/UNICEF statement](#).

24 WMO (2021): [State of Climate in 2021: Extreme events and major impacts](#).

25 IPCC (2022): [Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the IPCC](#).

26 IPCC (2021): [Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the IPCC](#).

27 EIB (2022): [Wastewater as a resource, 2022](#).

→ Demographic development and increased demand from growing middle classes are resulting in an increasing need for land and resources (water, energy, food and consumer goods). Non-sustainable patterns of consumption and overuse of natural resources are compounding environmental pollution and degradation. Around 90 per cent of deforestation is attributable to crop expansion and livestock farming<sup>28</sup> – both for commercial production of commodities such as palm oil, soya beans, cocoa or coffee and for small-scale subsistence farming. The European Union (EU), for example, is the second largest market for these types of commodities, after China. Establishing deforestation-free, fair supply and value chains thus significantly contributes to biodiversity conservation.

→ Resource availability can become a security problem and increase the likelihood of conflict. The scarcer or more unfairly distributed natural resources are, especially water, the higher the risk to people's livelihoods and social cohesion. This is particularly true in contexts of fragility, poor governance or a weak state. Often, crises and conflicts ensue, in turn resulting in displacement and migration. Resource shortage and environmental pollution pose a particularly severe risk for women and marginalised population groups in terms of health, lifestyle, economic activity, culture and identity. Inclusive and gender-just approaches to using the environment and resources promote transparency and participation. Local and cross-border cooperation in the field of natural resources helps to prevent conflict and foster social cohesion.

→ Increasing urbanisation is leading to more soil sealing. Often, development of infrastructure for drinking water and sanitation cannot keep up with the rate of population growth. Environmental and air pollution pose further challenges. For urban spaces to be livable, they must therefore incorporate nature-based solutions.

Despite these challenges and the potential for development, biodiversity conservation remains severely underfunded at the global level. Worldwide, current annual expenditure in this field is between 124 and 143 billion US dollars<sup>29</sup>. Official development assistance (ODA) accounts for just under 6 billion US dollars of that sum per year;<sup>30</sup> and only a fraction of biodiversity finance presently comes from private funding though this is increasing. With the total global need for investment in biodiversity conservation estimated at between 722 billion and 967 billion US dollars<sup>31</sup> per year, it is even more important to mobilise additional private funds for this cause. Reducing and repurposing subsidies that are harmful to biodiversity also offers potential to decrease the current finance gap by at least 500 billion US dollars per year (GBF target 18).

At the same time, the cost to the global economy of an unmitigated loss of biodiversity and ecosystem services far exceeds the necessary investment, with a potential annual reduction in global economic power of 2.3 per cent (2.7 trillion US dollars) and as much as 10 per cent in poorer countries.<sup>32</sup>

Investment in environmental and biodiversity conservation, through such methods as nature-based solutions, therefore makes socio-economic sense since new business segments and resource efficiency could generate more than 10 billion US dollars of global business volume per year and around 395 million jobs by 2030.<sup>33</sup>

28 FAO (2021): COP26: Agricultural expansion drives almost 90 percent of global deforestation.

29 Deutz, A. et al. (2020): Financing Nature: Closing the global biodiversity financing gap.

30 OECD (2023): Biodiversity and Development Finance 2015–2021: Progress towards Target 19 of the Kunming-Montreal Global Biodiversity Framework, p. 18 (Table 1, average for 2015–2021, biodiversity-specific finance)

31 Deutz, A. et al. (2020): Financing Nature: Closing the global biodiversity financing gap.

32 World Bank (2021): The Economic Case for Nature.

33 WEF (2022): Scaling Investments in Nature. The Next Critical Frontier for Private Sector Leadership.

Moreover, investment in nature and natural resources is especially sustainable as the “natural capital” provided by intact ecosystems represents a permanent asset that generally does not lose value unlike capital tied up in infrastructure, which does.<sup>34</sup> If environmental tipping points are crossed due to biodiversity loss and ecosystem degradation, damage to the economy and to society, some of it irreversible, can ensue. For example, a global loss of natural pollinators would result in annual agricultural yields decreasing by approximately 217 billion US dollars.<sup>34</sup>

While the global population continues to grow (and with it, the need for drinking water and sanitation services), the infrastructure development required to deliver those services remains chronically underfunded too. At 4.9 billion euros, worldwide annual ODA is far lower than the more than 114 billion US dollars of global investment needed per year to expand infrastructure in order to achieve SDG 6.1 (safe drinking water) and SDG 6.2 (adequate sanitation) by 2030.<sup>35</sup>

## 2.2 International context and experience of working with other partners

German development cooperation has many years of experience in the protection, sustainable use and restoration of biodiversity as well as in the use and sustainable management of water resources. The BMZ is active at the bilateral, regional and multilateral level, thereby fostering synergies and playing a key part in the shaping of international processes in the relevant areas. This encompasses its contribution to EU efforts and its important support for multilateral environment, biodiversity, climate and forest funds – activities that complement its extensive work at the bilateral level, particularly through its implementing organisations GIZ and KfW. Its collaboration with civil society and the private sector is also a significant part of its activities to conserve nature and natural resources.

In the “Biodiversity” area of intervention, the BMZ’s portfolio supports the three objectives of the CBD, which are the “conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of benefits arising out of the use of genetic resources”:

- Germany is a major bilateral and multilateral donor for biodiversity worldwide. Between 2018 and 2022, BMZ contributions came to an average of approximately 650 million euros per year. During that period, the main recipient countries at the bilateral level were Brazil, Cameroon, Madagascar, the Democratic Republic of the Congo, Ecuador and Indonesia.
- At the multilateral level, the GEF, the financial mechanism that serves the international environmental conventions, is a central actor in the field of biodiversity. In the current, eighth, replenishment phase (2022–2026), Germany is a key GEF donor, contributing 700 million euros. As a shareholder, the German government advocates better biodiversity mainstreaming within the World Bank Group and the regional development banks. Germany was one of the main initiators of a reform of the World Bank Group intended to promote targeted financing of global public goods such as biodiversity. Equally, the United Nations development (UNDP) and environment (UNEP) programmes play a key role implementing numerous trust funds, collaborative partnerships and GEF-financed projects.
- Other partners helping to fund biodiversity conservation are the European Investment Bank, regional development banks, such as the African Development Bank (AfDB), Asian Development Bank (ADB), Inter-American Development Bank (IDB) and Caribbean Development Bank (CDB), and regional organisations, including the Southern African Development Community (SADC), Central American Integration System (SICA), Caribbean Community (CARICOM) and Amazon Cooperation Treaty Organization (ACTO).

<sup>34</sup> Paulson Institute (2020): *Financing Nature: Closing the Global Biodiversity Financing Gap*.

<sup>35</sup> Hutton, G. et al (2016): *The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene*.

- In its Biodiversity Strategy for 2030, the EU Commission pledges to enable transformative change.<sup>36</sup> Its efforts to do this include, for example, the NaturAfrica initiative, which seeks to protect wildlife and key ecosystems in Africa while also offering green job opportunities for the local population. German development cooperation is also involved in the implementation of the initiative, in close coordination with European and African partners.
  - In the area of cooperation with private donors and foundations, the Legacy Landscapes Fund (LLF) deserves particular mention. Created by the BMZ, working closely with KfW and non-governmental nature conservation organisations, the LLF is an innovative tool for long-term funding for natural landscapes in developing and emerging economies. The LLF financially secures natural landscapes for at least 15 years and aims for each area to have permanent, perpetual funding. In addition, private donors cover a third of the costs for each area. Through this approach, funding urgently required for global biodiversity conservation is leveraged from a variety of sources. Besides the BMZ, other governments and private and philanthropic donors contribute to the fund. In the Blue Action Fund (BAF), the BMZ works alongside other governments to provide financial support for the establishment and expansion, improved management and networking of marine protected areas in projects implemented by international and national non-governmental organisations. Both funds make a particular effort to ensure the local population is involved. By supporting quality in the management of protected areas, both the LLF and the BAF make a tangible contribution to the GBF's "30 x 30 target".
  - Structured funds, such as the eco.business Fund, which the BMZ initiated and co-finances, bring private and public investors together to work with businesses to drive the move to more sustainable and biodiversity-friendlier production methods in agriculture, forestry, fisheries, aquaculture and ecotourism. The participation of public entities mitigates the risks for private investors. Since 2014, more than 6 million tons of carbon has been stored through agroforestry activities, over 5 million cubic metres of irrigation water saved, in excess of one million hectares of farmland brought under sustainable management and over 800,000 green jobs supported with the help of the fund (particularly in Latin America and the Caribbean and, since 2019, sub-Saharan Africa).<sup>37</sup>
- In the "Forests" area of intervention, the BMZ is working with its partners to bring about a halt and reversal of deforestation by 2030 as set out in the Glasgow Leaders' Declaration:
- At the bilateral level, the BMZ's support is particularly focused on partner countries in Earth's three major tropical forest regions (Amazon, Congo Basin and Southeast Asia).
  - Among the international forest conservation initiatives and partnerships in which Germany is involved, a particularly noteworthy one is the "GN2U" format in cooperation with Norway, the United Kingdom and the United States and the Forest & Climate Leaders' Partnership (FCLP), an alliance that builds upon GN2U and includes 31 countries plus the EU. The aim of the alliance is to promote the implementation of the Glasgow Leaders' Declaration.
  - In its capacity as a key donor, the BMZ finances a range of multilateral funds and institutions in the field of forest conservation and is actively engaged in shaping their strategic direction. They include the Forest Carbon Partnership Facility and the World Bank EnABLE programme, which aims to support IP&LCs, as well as the World Bank PROGREEN fund for sustainable and resilient landscapes, the Climate Investment Fund's Nature, People and Climate programme and the United Nations Food and Agriculture Organization (FAO) Forest and Farm Facility.
  - In addition, the BMZ provides support for region-specific initiatives such as the Central African Forest Initiative (CAFI), Central African Forest Commission (COMIFAC), Congo Basin Forest Partnership (CBFP) and, in Latin America, the IDB Amazon Initiative. The activities of civil society organisations and the academic and scientific community are also assisted by means of this support.

<sup>36</sup> EU (2020): [EU Biodiversity Strategy Bringing nature back into our lives](#)

<sup>37</sup> eco.business Fund (2023): [Impact Report 2022](#).

- Through its support for the AFR100 Initiative (African Forest Landscape Restoration Initiative), the BMZ plays an important part in helping to implement international forest conservation and restoration goals (2014 New York Declaration on Forests, in which donor and tropical countries and around 500 businesses pledge to halt the loss of natural forests and deforestation caused by supply chains by 2030; Bonn Challenge to restore 350 million hectares of degraded forest landscapes).
- The BMZ supports stakeholders in partner countries in their efforts to implement the EU regulation on deforestation-free products (EUDR) and has initiated a global Team Europe Initiative for this purpose with the help of other EU member states. The Ministry also provides support for the implementation of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan.

Through its portfolio in the “Water” area of intervention, the BMZ promotes the implementation of the human rights to drinking water and sanitation:

- Germany is a key donor in efforts to achieve SDG 6. The BMZ provides support for water-related projects in more than 50 partner countries, particularly in Africa and the Middle East. In the water sector, public funding is significantly leveraged via KfW on the basis of a 1:1 ratio (on average, each euro of public funding is doubled by one euro from the capital market).
- The BMZ is helping to leverage public and private funding through the implementation of transformative financing models such as the Urban Water Catalyst Initiative (UWCI). This multi-donor initiative seeks to improve the performance and resilience of reform-minded water and wastewater utilities in climate-vulnerable countries. It does so by leveraging investment in climate-resilient urban water management in order to increase access to safe drinking water and sanitation in a sustainable manner.
- The BMZ also provides support for pioneering approaches and water and WASH networks across sectors, the aim being to promote knowledge-sharing on sustainable sanitation and on interlinkages with other areas such as gender, technical and vocational education and training, health (including menstruation health and hygiene) and climate.

- The World Bank, European Investment Bank (EIB) and regional development banks play a key role in the financing of ever-increasing investment needs for infrastructure development. This is also the idea behind the reform of the World Bank, which has been designed to help protect and supply global public goods. Leveraging the private sector and local capital markets is also essential in order to close the finance gap in the water sector.
- With its range of development cooperation instruments, the EU is an important partner in the financing and implementation of measures in the water sector as can be seen in the Team Europe Initiative on Transboundary Water Management in Africa, for example. Speaking with a unified European voice, ministries and donors work together to set the agenda and promote shared positions on important international processes such as the UN water conferences and a system-wide UN strategy for water and sanitation.

Even closer dovetailing of bilateral and multilateral instruments and of collaboration with local and regional governments, civil society and business will play an important role in efforts to deliver effective support for structural change. With a view to ensuring efficient deployment of German environment, biodiversity, forest and water financing and effective development cooperation, steps are to be taken to further improve synergy effects in interministerial cooperation (especially with the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection [BMUV], the Federal Ministry for Economic Affairs and Climate Action [BMWK], the Federal Foreign Office [AA] particularly via their International Climate Initiative [IKI], and the Federal Ministry of Food and Agriculture [BMEL]). Examples of successful interministerial cooperation include the Partnership against Wildlife Crime in Africa and Asia, which is financed and managed jointly by the BMZ and the BMUV, and measures to promote deforestation-free supply chains.



# 3 Strategic conclusions and overarching focus of German cooperation in the core area in the period 2024 to 2030

## 3.1 German development cooperation approach and interests

Intact ecosystems and the services they provide safeguard livelihoods and vital natural resources worldwide and play a pivotal role in efforts to tackle the climate crisis. There is growing international recognition of the fact that the triple planetary crisis – climate change, biodiversity loss and environmental pollution – poses a risk to prosperity and development opportunities as well as triggering and magnifying new crises. Many of these challenges are of a transboundary nature and have global impacts that affect entire societies. The repercussions are felt both by our partner countries and ourselves. Protecting global goods is therefore a responsibility shared by the entire international community, and development cooperation can play a vital role. Since global challenges demand global collaboration, development cooperation can make a substantial contribution to addressing them. Successful, development-oriented measures to protect the environment and resources are necessary in order to secure future opportunities, especially for people living in poverty in developing countries and emerging economies. This is also true for women and IP&LCs in particular. Consequently, measures to conserve biodiversity and ecosystem integrity must always be combined with measures to balance different social needs. Socially just environmental transformation always considers both humans and the environment, creates added value for the environment, the economy and people and enhances equal opportunities and intergenerational equity. Through its integrated, cross-sectoral approach, German development policy can play a vital role in helping to support these social negotiation processes and reconcile the various dimensions of sustainability.

A healthy environment is of benefit both to people in the Global South and in Germany.

The BMZ works to promote the global sustainable development goals on protecting life on land (SDG 15), protecting life below water (SDG 14) and ensuring the availability and sustainable management of water and sanitation (SDG 6). The Global Biodiversity Framework, the Paris Agreement and the Land Degradation Neutrality (LDN) defined in the United Nations Convention to Combat Desertification (UNCCD) guide the actions of all German development cooperation measures.

The UN resolution on the “human right to a clean, healthy and sustainable environment”, adopted in 2022, sets a new standard for international action to protect people who are particularly affected by the triple planetary crisis. Along with the human rights to safe drinking water and sanitation, this right forms the basis of health, food security, dignity and prosperity worldwide. It is important to promote the implementation of these human rights for everyone – including impoverished and marginalised groups – in line with the 2030 Agenda “leave no one behind” principle.

Taking all of these factors into account, the BMZ’s wide range of activities seek to

→ protect terrestrial, freshwater, coastal and marine ecosystems and natural resources as the basis upon which to conserve biodiversity and ecosystem services,

- ensure responsible, sustainable and socially just use of terrestrial, freshwater, coastal and marine ecosystems and natural resources as well as access to clean water, safe sanitation and hygiene for all, and
- restore ecosystems, especially (mangrove) forests and peatland.

Central to achieving that will be significantly more ambitious national policies in partner countries since they are home to valuable ecosystems with the greatest biodiversity and considerable potential for climate adaptation and mitigation. The BMZ will thus intensify its efforts to agree and implement measures with partner countries to create conditions conducive to a climate-compatible, gender-just and socially equitable transformation. To ensure that transformation is successful, all measures need to be coherently dovetailed: bilateral and multilateral, technical and financial cooperation, at the national and local level, science, civil society and private sector. A multi-level approach is to be taken to dovetail the goals of the global environmental agendas, multilateral and international initiatives and facilities and regional, national and local activities. Technical cooperation, in particular, serves as a crucial link bridging these diverse levels.

### Quality criteria

The BMZ quality criteria are taken into account as cross-cutting issues in all development activities carried out under this strategy. Quality criteria are the “hallmark” of value-based, sustainable and forward-looking development cooperation. There are currently six criteria (“Human rights, gender equality and disability inclusion”, “Poverty reduction and inequality reduction”, “Conflict sensitivity [Do No Harm]”, “Environmental and climate Assessment”, “Digital technology” and “Anti-corruption and integrity”). The strategic focus and requirements for each of the quality criteria will be set out in specific strategy papers. The significance of the criteria for the objectives of this core area is described in this strategy. Readers are also invited to consult the relevant BMZ quality criteria strategies.

The “Environmental and climate assessment” criterion ensures that environmental and climate-related aspects are systematically included in international dialogue and in the planning and implementation of all measures. The aim – for all sectors – is to prevent or minimise adverse effects on the environment and climate, harness positive potential for environmental

conservation and climate change mitigation and to cater for the impact of climate change. This is important because environmental problems such as biodiversity loss, water shortages and pollution of inland waters, oceans, soil and air often occur in sectors that are equally relevant to development, such as agriculture, energy and infrastructure development.

The “Poverty reduction and inequality reduction” quality criterion, the human rights-based approach that is compulsory for all governmental development cooperation measures (Human Rights Strategy for German Development Policy – “Human rights, gender equality and disability inclusion” criterion) and the “Conflict sensitivity” criterion also guide the BMZ’s activities in the area of natural resource conservation. Measures to protect and conserve natural resources should be designed to be pro-poor and not to reinforce inequalities and discrimination. Consequently, they must be context-sensitive and inclusive. Only by actively involving IP&LCs and protecting their rights – through principles such as Free and Prior Informed Consent in the case of Indigenous Peoples – is it possible to conserve nature and natural resources and protect life on Earth. Despite what can be difficult conditions, especially in fragile states or crisis contexts, the BMZ works to conserve nature and natural resources, doing so by means of safeguards, participatory approaches and – wherever possible – political facilitation and dialogue processes. Accessible complaint, conflict resolution and redress mechanisms are a further way in which potential risks and areas of conflict can be identified at an early stage and countermeasures adopted.

Gender equality is of central importance in the human rights-based approach. The [feminist development policy](#), to which the BMZ has committed as an overarching goal and which is implemented by various means, including the “Human Rights, Gender Equality and Disability Inclusion” quality criterion, is intended to overcome existing discriminatory structures and power imbalances across all sectors. In all three areas of intervention in this strategy, the BMZ champions stronger rights, the abolition of discriminatory laws and norms, equitable access to resources, equitable representation and enhanced powers for women and marginalised groups in all their diversity (see the description of feminist approaches in the “Human rights, gender equality and disability inclusion” quality criterion). As a result of socio-economic factors and intersectional discrimination, women and marginalised groups are

hardest hit by environmental degradation. They often have less access to and control over natural resources. Many women are unable to make their own decisions with regard to the natural resources upon which they depend, partly due to legislation and institutions concerning such things as inheritance and land rights. At the same time, they play a significant part in conserving those resources and are key to environmental activities. Women are important change agents. Gender equality and achievement of environmental goals can therefore have a positive effect on each other.

Need-based use of digital solutions in development projects (“Digital technology” quality criterion) increases the effectiveness and efficiency of German development cooperation, thus playing an important part in conserving nature and natural resources. The BMZ supports increased, responsible use of digital tools in the projects carried out in this core area.

Fragile government structures and corruption can hinder – at all levels – measures aimed at conserving natural resources. Moreover, corruption is often directly linked to illegal activities such as illegal water usage and pollution, logging or trade in wildlife. Rigorous application of the “Anti-corruption and Integrity” quality criterion is therefore an important precondition for the measures implemented in this core area to be effective.

## 3.2 Development policy objectives

In this core area, the BMZ pursues the development policy objectives detailed below, doing so in a way that is in line with the GBF targets and actively supports their achievement by 2030.

### 1. Putting people at the heart of measures

Ecosystems and natural resources can only be protected, used sustainably and restored if the rights, resources and representation of the local population and user groups, especially women and IP&LCs, are ensured. To achieve this, they must be actively included in decision-making processes from the outset as well as benefiting

financially from any planned measures. The BMZ will therefore increase its focus on the involvement of these groups, the sustainable use of natural resources and ecosystems and the generation of income, especially by promoting employment and creating value at the local level. It will do this primarily through measures to promote sustainable use of natural and regenerative resources (through bioeconomy and green jobs, for instance), payments for ecosystem services with fair sharing mechanisms and incentive mechanisms designed to prevent deforestation and degradation. The potential offered by traditional knowledge will be harnessed as part of this process. These actions are guided by the goals of protecting human rights and ensuring inclusion of women and IP&LCs (GBF targets 22 and 23).

### 2. Harnessing synergies across sectors

Given the interconnected challenges addressed by the three Rio Conventions,<sup>38</sup> any strategy aimed at implementing them must encompass all three. With this in mind, the BMZ will interweave climate mitigation and adaptation measures even more with measures to protect, restore and sustainably use resources and ecosystems, thereby leveraging mutual synergy potential and positive side effects (“co-benefits”). The intention is to prioritise nature-based solutions such as the protection and restoration of mangroves, forest landscapes and peatland, the expansion and connectivity of green and blue spaces in urban and densely populated areas and integrated resource management methods.

To promote social-ecological transformation of economic systems, the BMZ will continue to design its measures based on a focus on the interdependencies between conservation of nature and natural resources on the one hand and basic social needs such as income protection, energy and food security, health, gender equality, peace and security on the other. Potential competing interests in terms of use<sup>39</sup> and development goals are to be identified with partner countries and organisations and addressed by means of systemic solutions. A socially just environmental transformation in, for example, agriculture or urban development requires a balancing of the different interests present in society.

<sup>38</sup> Internationally binding conventions on climate change (UNFCCC), biological diversity (CBD) and combating desertification (UNCCD).

<sup>39</sup> For instance, energy production requires water and water supply solutions require energy. As the largest user of water (72 per cent of all water withdrawals), agriculture has a major influence on the conservation of water resources.

The BMZ will work to help eliminate silo thinking in environmental and resource conservation and to help partner countries and organisations to incorporate this level into national development policies and measures in an integrated, cross-sectoral manner and, where necessary, to address it on a cross-border basis too.<sup>40</sup>

To this end, instruments such as the UN's natural capital and ecosystem accounting system (SEEA) should be made more usable for political and economic decision processes. Making environmental costs and benefits for society and the economy visible fosters the development of a more sustainability-driven mentality. The BMZ therefore works resolutely to ensure that environmental damage – especially that resulting from land-use changes, soil sealing and infrastructure investment – is internalised and minimised at the macroeconomic and microeconomic levels. Risks to humans and the environment posed by climate-friendly technology (for example, due to the production and use of batteries for electric vehicles or information technologies or the construction of new infrastructure for renewable energies) must be minimised as far as possible.

Support is given for the prevention and combating of environmental crime (including deforestation, illegal fishing, poaching and water pollution). This requires the resolute implementation and improvement of local, national and international framework conditions and regulations as well as a cross-stakeholder and cross-sectoral approach in efforts, for example, to trace illegal financial flows or strengthen the judiciary.

Digitally supported data monitoring can help to document short-term and long-term environmental change processes (for instance, real-time capture of deforestation and water consumption or long-term observation of the development of wildlife populations) and serve as an evidence-based tool with which to make decisions that promote more efficient and sustainable resource management.

As part of an integrated One Health approach<sup>41</sup>, synergies between environmental and resource conservation, agroecology and health are to be taken into account and harnessed, with the aim, for example, of reducing the risk of pathogens being transmitted between animals and humans.

There are a number of interlinkages between measures to conserve nature and natural resources and other BMZ core and initiative areas, particularly, “Transformation of agri-food systems” (for example, agroecology, soil protection, fisheries and aquaculture); “Climate and energy, just transition” (for example, nature-based solutions in climate change mitigation and adaptation, “green” and “blue” infrastructure, especially as part of sustainable urban development measures); “Sustainable economic development, training and employment” (for example, financial assistance for “green” SMEs, deforestation-free supply chains and vocational training in the water sector); “Health, social protection and population dynamics” (for example, access to and quality of water supply and sanitation, prevention of zoonoses); “Peaceful and inclusive societies” (for example, environmental crime, anti-corruption measures, resource conflicts) and the “Feminist development policy” initiative area.

40 See, for instance, GBF target 8 on the impacts of climate change on biodiversity; target 10 on sustainability in agriculture, aquaculture, fisheries and forestry; target 11 on ecosystem functions and services that regulate air, water and climate; target 12 on green and blue spaces in urban areas; and target 14 on the integration of biodiversity into decision-making across all governmental levels and all sectors.

41 The One Health approach is based on the understanding that there are close links and an interdependence between the health of humans, domestic/wild animals, plants and the broader environment, including ecosystems. The approach fosters interdisciplinary cooperation, in particular between human medicine, veterinary medicine and environmental science.

### 3. Increasing and diversifying international financing and making it nature-positive<sup>42</sup>

The BMZ will further mainstream conservation of nature and natural resources and its alignment with the GBF into its strategies and development cooperation projects that are closely linked to them, particularly in the areas of climate and rural development (see previous paragraph). Reform processes, strategies, programmes and investments at multilateral development banks and within the UN system are also to be designed to be nature-positive wherever possible (in accordance with GBF targets 14 and 15). In its work on the development of EU strategies (including the European Green Deal), programmes and legislation and in multilateral bodies and funds, the BMZ will promote GBF compatibility and conditions that take the special challenges into account that developing countries and emerging economies face as they implement their social-ecological transformation.

The efforts of the donor community must be significantly intensified if international obligations, especially those arising from the Global Biodiversity Framework, are to be met. To this end, official development finance for measures to conserve nature and natural resources will have to be increased and supplemented by additional funding (including from the private sector, philanthropists and new donors). To meet this need, the BMZ will intensify its efforts to promote effective resource mobilisation (GBF target 19).

Innovative financial instruments are to be used to generate new sources of finance and leverage private capital. German development policy can play a part, particularly through KfW and cooperation with international financial partners, in developing sustainable and attractive business models, reducing investment risks and cutting transaction costs in order to boost new collaborations. Effective instruments for joint financing and public-private partnerships, policy-based reform financing and structured funds are to be scaled up. Examples of best practice are the Legacy Landscapes Fund and the Blue Action Fund (for joint financing and public-private partnerships) and the eco.business Fund (for structured funds). National partner structures and

ownership are to be strengthened through support for regional and national fund-based approaches such as the Amazon Fund and the Madagascar Protected Areas and Biodiversity Fund (FAPBM).

Conducive institutional and legislative environments in the partner countries are fundamental for multi-lateral, international and national financing for the conservation of nature and natural resources to be used effectively as well as efficiently and based on integrity. This also applies to the private sector and the provision of private capital as well as to the above-mentioned financial instruments, some of which require partner systems to possess a high degree of maturity. Complementary measures to strengthen national finance management and monitoring capacity, including measures conducted in cooperation with civil society, therefore have an important role to play.

The BMZ will also intensify its support for partner countries' efforts to mobilise their own financial resources to conserve nature and natural resources through such means as more strategic employment of green taxes. The overall policy environment needs to set the appropriate standards and incentives that will provide a push in the right direction. In this context, more systematic examination of incentive systems and subsidies is required to determine their impact on the environment. Those found to have negative effects should be eliminated in a socially just manner and re-assigned to nature-positive measures (GBF target 18). Consideration is to be given to the debt situation of the countries involved.

<sup>42</sup> "Nature-positive" refers to financing and activities designed to help "halt and reverse biodiversity loss" in line with the aim of the GBF: "The Kunming-Montreal Global Biodiversity Framework aims to catalyze, enable and galvanize urgent and transformative action by Governments, and subnational and local authorities, with the involvement of all of society, to halt and reverse biodiversity loss [...]"

# 4 The future direction of Germany's development cooperation in the areas of intervention: strategic policy orientations

## 4.1 “Biodiversity” area of intervention

The aim of the “Biodiversity” area of intervention is to conserve biodiversity in terrestrial, freshwater, coastal and marine ecosystems (SDGs 14 and 15) and to implement, in collaboration with partner countries, the GBF targets. The BMZ will support partner countries in their efforts to implement their GBF-aligned National Biodiversity Strategies and Action Plans (NBSAPs) in an effective and socially just manner, for instance through its contribution to the NBSAP Accelerator Partnership. In addition, the NBSAPs are to be closely aligned with Nationally Determined Contributions (NDCs), Long-Term Strategies (LTSs) and National Adaptation Plans (NAPs). The BMZ will increase its focus on the following objectives:

### 1. Effective protection and restoration of ecosystems

→ Currently, around 17 per cent of terrestrial and 8 per cent of marine areas worldwide are protected.<sup>43</sup> The BMZ will work at the international level to promote the implementation of the GBF “30 x 30 target”, which aims to place 30 per cent of the world's land, freshwater and seas under effective protection by 2030<sup>44</sup> (GBF target 3) and to restore 30 per cent of the damaged

ecosystems (GBF target 2). These measures are intended to increase ecosystem integrity, connectivity and resilience, reduce the extinction rate and maintain genetic biodiversity (GBF goal A). Protection of human rights, inclusion of IP&LCs and a development-oriented approach with tangible benefits for the local population will guide our work in this area.

→ The BMZ will continue to expand its bilateral and multilateral portfolio regarding protected areas, with the active involvement of IP&LC, and make socio-economic development part of its focus. Sharing the management of areas between government and civil society is potentially beneficial in certain contexts such as fragile states. Public-private donor partnerships, such as the LLF and BAF, are to be scaled up. (Global) standards such as the International Union for Conservation of Nature's (IUCN) “Green List” can help partner countries increase transparency and manage protected areas fairly and effectively. Measures to support marine protected areas are to harness synergies arising from the High Seas Treaty.

→ What are referred to as Other Effective Area-based Conservation Measures (OECMs) in places that ensure long-term biodiversity conservation outside of protected areas (without this being their primary aim) and areas and territories managed and maintained by IP&LCs (Indigenous and Community

<sup>43</sup> Protected Planet (2023): [Statistics on protected areas](#) (accessed on 21 December 2023).

<sup>44</sup> The protection status alone is not always enough to be able to draw valid conclusions about the state of biodiversity. For this reason, protected areas need to be managed effectively both in terms of environmental intactness and inclusion of the local community.

Conserved Areas [ICCAs], for instance), are to undergo further conceptual development and be promoted as a way of contributing to the “30 x 30 target”. One of the reasons for doing this is to increase the connectivity of areas that conserve biodiversity.

- Moving forward, the BMZ will sharpen its focus on sustainable restoration of degraded landscapes in order to maintain ecosystem services, reduce pressure on intact ecosystems from human use, improve the connectivity of protected areas and introduce “buffer zones” around them. Special attention is to be paid to ecosystems that are crucial to climate mitigation and adaptation and to biodiversity, such as peatlands, wetlands and (mangrove) forests. As part of the UN Decade on Ecosystem Restoration, this topic is to be given added weight via the “Ecosystem restoration and nature-based solutions” initiative area (see → section 4.4).

## 2. Sustainable value creation from and use of ecosystems

- The BMZ will intensify its focus on linking sustainable value creation from and use of ecosystems with social and economic development for the local population (GBF goal B, “nature’s contributions to people”). The various values of biodiversity and ecosystem services are to be recognised and incorporated into decision-making processes in an appropriate manner. The BMZ will increase the priority it gives to strengthening the rights, representation and resources of IP&LCs, particularly women, in local ecosystem use. This will be done, for example, in benefit-sharing mechanisms and fair sharing of benefits (GBF goal C) and when combining sustainable use and increased local value creation and employment, for instance through bioeconomy and ecotourism approaches. The establishment of inclusive, biodiversity-based value chains is to be scaled up at the local and national level (as in the *BioValor* project in Ecuador) and the interregional level (as, for example, in the BioInnovation Africa global project). Equitable market access is a key component in achieving these efforts.
- The bilateral and multilateral portfolio, especially in the area of agriculture, fisheries and aquaculture (see Germany’s membership in the worldwide coalitions for agroecology and blue/aquatic foods), private-sector and urban development, is to be

brought further into line with the GBF’s targets. As well as the “30 x 30 target”, the intention is to take the “remaining 70 per cent” into consideration too and foster a structural paradigm shift in the use of terrestrial and marine resources and areas. In addition, biodiversity is to be mainstreamed more systematically as an integral part of climate mitigation and adaptation (by means, for example, of nature-based solutions and as part of the development of ambitious NDCs).

- Production and marketing are to be designed to enhance resource and biodiversity conservation (green and blue economy) with the aim of increasing the share of sustainably used natural resources in partner countries and decreasing the use of harmful substances such as pesticides. To this end, the BMZ will provide support for the creation of (national) conditions that are suitable for sustainable business (through the greening of fiscal policies, for example), for the use of sustainability standards and for the development and scaling-up of appropriate incentives and financial instruments in order to make nature-positive investment more attractive to the private and financial sectors. Resource-efficient, biodiversity-friendly and agroecological practices are to be introduced and put into widespread use, especially in agriculture, forestry, fisheries and aquaculture.
- The BMZ supports the incorporation of biodiversity aspects in due diligence regulations at the EU level (for instance as part of the Corporate Sustainability Due Diligence Directive - CSDDD) to mainstream socio-ecological business principles into companies in a more systematic manner. It also supports ambitious, specific biodiversity conservation provisions in negotiations on sustainability chapters in (EU) trade and investment agreements.

## 3. Financing for international biodiversity conservation

- The BMZ will increase and sustain its contribution to the significantly underfunded international effort to conserve biodiversity. By doing so, it will fulfil the German government’s international commitments and responsibility and exert influence in international fora, financial institutions and facilities for climate and development financing to bring about an alignment of financial flows with the GBF targets (GBF goal D).

- The BMZ is working to ensure that the GBF fund under the GEF is designed and implemented in an efficient manner. The intention is that a development-oriented approach will simplify access to the fund, especially for the least developed countries (LDCs), and actively include IP&LCs.
- The BMZ works to promote the systematic mainstreaming of biodiversity into multilateral development banks' strategies and portfolios. The impacts of measures and investments are to be monitored in a structured manner and, wherever possible, portfolios designed to be nature-positive.
- Cooperation with private donors is to be stepped up and innovative financial instruments assessed, established and expanded (biodiversity credits, green/blue bonds and debt for nature swaps, for example). The intention is to tap new sources of finance and mobilise private funding by means of official development finance. Synergy potential between the NBSAP Accelerator Partnership and Biodiversity Finance Initiative (BIOFIN), all of which receive support from the German government, should be harnessed with a view to mobilising resources.

## 4.2 “Forests” area of intervention

The aim of the “Forests” area of intervention is to make an effective contribution to the goal of halting and reversing forest loss by 2030 by protecting forests, using them sustainably and restoring them (see also the Glasgow Leaders' Declaration). The objective is to preserve their functions for the global public goods of climate and biodiversity and as a means of ensuring livelihoods, especially those of IP&LCs.

### 1. Equitable forest conservation measures

- The BMZ will give more consideration to the social needs and realities of local and forest-adjacent communities when designing measures to protect forests and tree-rich landscapes, use them sustainably and restore them. The aspects of poverty reduction, food and water security and climate change adaptation are to be included in the design of these measures, placing a particular emphasis on prioritising job creation and income generation measures. Forest conservation measures

are always to be designed in such a way that they are gender-just and socially equitable and make a tangible contribution to better livelihoods for the local community. For this reason, measures to ensure deforestation-free supply chains will also be combined with income-increasing strategies such as living incomes. This will also involve calling on the private sector to live up to its responsibilities.

- Actions are guided by IP&LC inclusion, involvement and empowerment, all of which are to be given even more emphasis in BMZ-funded projects. Participatory approaches are pivotal to generating value from the traditional knowledge held by IP&LCs, advancing joint knowledge-building and creating income opportunities for work done to preserve forests. Where possible, IP&LC organisations are also to be funded directly.

### 2. Forest-friendly framework conditions and market environments

- The BMZ will support partner countries whose reforms and strategies demonstrate a political will to improve forest conservation. It will do so by helping them draw up and implement integrated national forest policies that align the aims of economic development (including mining and crop and livestock farming), food and income security with those of nature conservation and climate mitigation and adaptation. Political dialogue and joint donor initiatives are to be employed, particularly in partner countries where forest conservation is thwarted by political decisions and disincentives, to identify alternative options for action at the governmental, substate and/or civil society level.

- Good governance and institutional capacities play an important part in ensuring forests can be protected, used and restored in a sustainable manner. The BMZ will therefore support partner countries' and organisations' efforts to overcome systemic challenges related to governance (for example, judiciary, customs and finance ministries). In this respect, action to combat forest crime (such as illegal logging) and implement with integrity integrated spatial planning and land registry systems is vital, especially in order to resolve and formalise land rights issues in a way that takes into account the traditional rights of IP&LCs.



- Use of preventive and integrated approaches to counter the extreme effects of natural or human-induced forest fires is to be increased.
- The BMZ will retain its focus on deforestation-free value and supply chains and step up its support for the efforts of stakeholders in partner countries to implement the EU Regulation on deforestation-free supply chains and supplementary (inter)national sustainability standards. It will do so with a special emphasis on a development-oriented, gender-just approach that gives consideration to the particular challenges faced by less privileged land users. To this end, development partnerships with the private sector serve as a lever for additional private investment and ensure that the commitments companies have made to deforestation-free supply chains are fulfilled. Digital and inclusive traceability systems are to be used to increase transparency in supply chains and improve product marketability. In addition, the BMZ works beyond the EU level to champion deforestation-free supply chains via international organisations such as the Amsterdam Declaration Partnership and the Tropical Forest Alliance.

### 3. Financing and donor coordination

- The BMZ will increase its international forest financing and work with international partners to mobilise, in particular, more private-sector capital by means of innovative financing approaches in order to achieve the forest-related goals of Paris, Glasgow, the GBF and the UNCCD.
- Within the Forest & Climate Leaders' Partnership (FCLP), the BMZ is working closely with other ministries to increase advocacy for a coordinated donor response that supports partner countries' ambitious national climate, forest and biodiversity goals.
- Payments for ecosystem services, especially incentive mechanisms for avoided deforestation, are to be expanded, particularly in the three major tropical forest regions (Amazon, Congo Basin and Southeast Asia). Examples of such mechanisms include the Reducing Emissions from Deforestation and Forest Degradation (REDD+) and the REDD Early Movers (REM) programme, which pays compensation for measurable and proven carbon emission reductions. The majority of the income generated through these

payments is to be made available to local target groups via socially just benefit-sharing systems. High standards relating to the environment, governance, monitoring and human rights will continue to play a central role for emission allowances, the forest carbon market and ODA financing.

### 4.3 “Water” area of intervention

The aim of the “Water” area of intervention is to realise the human rights to safe drinking water and sanitation in line with the just transition principle by promoting universal access to water, sanitation and hygiene (WASH) (SDG 6). Being a cross-sector topic, water is also a key catalyst for almost all of the sustainable development goals set out in the 2030 Agenda. In addition to this core area strategy, the BMZ strategy paper entitled “Practical implementation of the 2030 Agenda. Synergies and conflicts between water (SDG 6) and other goals” (2019) and the BMZ position papers on water (2019) and sustainable urban development (2023) can be referred to for more in-depth, sector-specific guidance.

As part of the Global SDG 6 Acceleration Framework, German development cooperation is committed to supporting capacities, financing and governance structure in the water sector so as to accelerate the implementation of SDG 6.

The BMZ will increase its focus on the following objectives:

#### 1. Realisation of the human rights to drinking water and sanitation

- Worldwide, more than 2 billion people do not have safe access to clean drinking water. 3.6 billion of the world's population do not have access to safe sanitation. The BMZ employs the entire range of development cooperation instruments (for example, bilateral cooperation, municipal cooperation and transitional development assistance via the United Nations Children's Fund (UNICEF)) to improve this situation and foster grid-connected water and wastewater infrastructure in urban and peri-urban areas, as well as smaller-scale, local-level solutions for addressing needs in informal settlements and rural areas.

- Apart from constructing infrastructure for drinking water and sanitation, it is also crucial that it be operated and maintained in a sustainable manner. It is for this reason that the BMZ promotes sector-wide reform processes, such as demand and need-based planning processes and capacity-building in partner countries, as well as the direct sharing of knowledge and experience between local (waste)water utilities in Germany and partner countries within “sustainable utility partnerships”. The goal is to ensure pro-poor, climate-resilient provision of public services. The BMZ joins forces with international partners such as the Global Water Operators’ Partnerships Alliance (GWOPA) under the United Nations Human Settlements Programme (UN-Habitat) to work on these aims.
- In view of the major shortage of skilled labour and the gender gap in the water sector, the BMZ is turning to gender-transformative approaches to overcome structural, gender-specific inequalities. It will intensify its focus on empowering women to become experts, skilled employees and managers and to participate equally in planning and decision processes related to water policy, using technical and vocational education and training as one of its tools.
- The BMZ is concentrating on mobilisation of additional resources from the public and private sectors and expansion of innovative and targeted financing mechanisms (such as UWCI) as methods with which to close the considerable funding gap. Its measures also foster more efficient and sustainable use of funds through improved investment planning and management as well as good governance, the aim being to ensure sustainable and integrated water resource and infrastructure management and to support regulatory authorities in partner countries as they take action to reform policies in line with sustainability needs.
- The BMZ will promote the establishment of reliable monitoring and evaluation systems and improved SDG 6 reporting in its partner countries and at the international level in order to support evidence-based policy-making. To this end, more use is to be made of innovative digital solutions.

## 2. Water security based on Integrated Water Resources Management (IWRM)

- With water resources increasingly impaired and limited, German development cooperation is taking action at the level of water supply and demand as part of integrated, climate-sensitive water resources management. The BMZ supports measures to reduce water consumption in drinking water supply and irrigation and to make water use more efficient (demand management), particularly in water-poor countries.
- Socially just pricing that covers costs is an important instrument in ensuring efficient and sustainable use of water. Besides demand management, it is necessary to increase the water supply through such measures as water storage, safe recycling of water to be, for example, reused and – in certain conditions – desalination of seawater or brackish water. One method that can be used is rehabilitation of water-related ecosystems such as wetlands.
- Pollution of water resources is to be prevented and water quality increased. These efforts will be based on the idea that water supply and circular wastewater management are mutually dependent parts of one system. To protect bodies of water and adjacent ecosystems, the BMZ supports its partners’ efforts to expand safe wastewater management and control contamination caused by factors such as flooding or the use of pesticides in crop or livestock farming.
- Sustainable protection of water resources requires a reconciliation of interests between all sectors that use water and the needs of nature conservation. The BMZ therefore attaches great importance to an integrated approach that takes in the water, energy, agriculture and food sectors. To ensure optimum reconciliation of those interests, the BMZ seeks to plan and implement the water-energy-food-nexus on a cross-sectoral basis and involve civil society organisations.
- The BMZ advocates the adaptation of existing patterns of production and consumption and supports the concept of a water footprint for products and services. As part of these efforts, it champions the inclusion of water aspects in corporate sustainability reporting in accordance with the revised EU rules on sustainability reporting (see the National

Water Strategy 2023). It also promotes stewardship approaches that include relevant stakeholders such as the private sector and civil society in sustainable and climate-resilient (water) resource management in order to counter the shortage and overuse of natural resources.

- Promotion of transboundary water management plays an important part in measures to conserve water resources and ecosystems and tackle climate change. In addition, transboundary water cooperation helps prevent violent conflict and strengthen social cohesion in entire regions. With this in mind, the BMZ works to promote suitable legislative, institutional and political frameworks to bring about a sustainable improvement in water security, in fragile regions in some cases, using a range of means, including instruments for managing crisis and conflict (between countries and through regional cooperation). As part of the Team Europe approach, the BMZ works with partners from Africa and the EU to support transboundary water management in Africa with the aim of improving water security and climate resilience whilst also boosting peace and biodiversity.
- The BMZ works alongside other ministries and member states to improve coordination and ensure coordinated measures on water topics and processes at the UN level, by such means as support for SDG 6 monitoring and for the (planned) system-wide UN strategy for water and sanitation and targeted measures to strengthen intersectoral interfaces (in UN climate negotiations, for example).

### 3. Promotion of climate change mitigation, adaptation and prevention

- With the aim of strengthening resilience to the effects of climate change, the BMZ is increasingly turning to nature-based solutions in the water sector to protect (water-related) ecosystems, manage them sustainably and restore them. As well as being a core element of effective climate adaptation in the water sector, such ecosystems serve as carbon sinks and thus also contribute to climate change mitigation.
- As part of water-resilient and climate-smart urban development in line with today's needs, the BMZ is increasingly turning to rainwater management. The aim is to prevent flood damage whilst also protecting and making better use of water resources by expanding support for rainwater retention, infiltration and storage. A portion of the water can evaporate through trees and green façades and roofs, thus helping to keep urban spaces cool. These "blue" and "green" solutions or infrastructure elements are to be combined with grey, technical solutions to ensure long-term urban robustness to the effects of climate change. Integrated planning and implementation is necessary to ensure connectivity between these infrastructures.
- To strengthen partner countries' resilience to drought and flood risks, the BMZ provides support for evidence-based intersectoral cooperation aimed at increasing water resource security by such means as the establishment of monitoring and early warning systems. To provide protection against drought, the BMZ supports the expansion of water storage capacities, reduction of water loss and development of new resources through, for example, sustainable use of renewable groundwater, reuse of treated wastewater and, in certain conditions, desalination of seawater and brackish water. In the area of flood control, it supports the expansion of drainage systems, retention areas and retention or recharge basins.
- At the political level, the BMZ supports its partners' efforts to develop adapted water strategies and link them up to national climate adaptation strategies and budget processes. It also works at the international level to ensure that climate processes (the climate conferences, for example) give more consideration to the relevance of water.
- With the aim of reducing greenhouse emissions, the BMZ provides support for measures such as sustainable sewage management, increased energy efficiency, water loss reduction, use of renewable energies in urban water management and the restoration or rewetting of wetlands, which serve as carbon sinks.

## 4.4 Cross-cutting initiative area “Ecosystem restoration and nature-based solutions”

As well as core areas, the BMZ works in defined “initiative areas”. These allow it to put a special development policy focus on a specific area for a certain period of time. The aim of the initiative area “Ecosystem restoration and nature-based solutions” is to make a significant contribution to the restoration of terrestrial, freshwater, coastal and marine ecosystems as part of the UN Decade on Ecosystem Restoration. It is intended to supplement measures to restore forests and tree-rich landscapes (see “Forests” area of intervention) by increasing the focus on the restoration of other ecosystems such as wetlands, mangroves, savannahs and grasslands as well as urban and peri-urban ecosystems. Support is to be targeted at integrated, cross-sectoral and participatory landscape approaches. BMZ’s work on ecosystem restoration is to be significantly expanded in multilateral, regional and bilateral governmental and non-governmental cooperation activities.

The framework of objectives for this initiative area is supplied by the [Rio Conventions](#), GBF, Paris Agreement, [2030 Agenda](#), the UN decades on ecosystem restoration and water and the Sendai Framework for Disaster Risk Reduction. The BMZ supports partner countries’ efforts to introduce structural measures to curb degradation drivers and to permanently conserve restored ecosystems. These efforts must ensure that conflicting interests are reconciled fairly: restoration must be economically and socially attractive for the people of the Global South, especially women, marginalised groups and IP&LCs, in line with the principle of a just transition.

The BMZ seeks to employ the following approaches through this initiative area:

- expansion of activities in the area of restoration of terrestrial and marine ecosystems, often in conjunction with measures to ensure their protection and sustainable use;
- ecosystem restoration awareness-raising and knowledge-building through dialogue with political partners, education and research collaboration by such means as transnational learning;
- capacity-building for governmental and non-governmental stakeholders in partner countries and strengthening of cross-sectoral and cross-regional cooperation aimed at implementing restoration measures on the basis of environmental and social standards and cost-efficient monitoring; and
- promotion of private-sector and finance-sector investment, giving consideration to innovative financing methods and fund-leveraging, such as targeted incentive mechanisms, including support from fund structures and collaboration with development banks.

Rather than only being implemented in the “Conserving nature and natural resources, protecting life on Earth” core area, this initiative area will be implemented as part of other core areas too, and outside the agreed core areas. This applies, for example, to restoration approaches as part of the transformation of agriculture and food systems (through promotion of restoration using agroecology methods, for instance) and approaches intended to promote income, employment and social security (for example, cash for work and cash transfers related to environmental goals).

The experience gathered in the implementation of this initiative area will be incorporated into the BMZ’s bilateral and multilateral cooperation activities. When the initiative area comes to an end, measures could potentially be continued as part of existing areas of intervention or integrated into other core areas and scaled up. Targeted cooperation with a wide range of shareholders on all levels aims to move the issue of ecosystem restoration higher up on national agendas, thus ensuring that the BMZ contribution to the UN Decade on Ecosystem Restoration is put on a long-term footing.

# 5 Measuring success

Measuring results plays a central role in the “Conserving nature and natural resources, protecting life on Earth” core area. These “results” are the outputs, outcomes and impacts of a development cooperation measure according to the OECD definition. They are measured using special indicators for the operational control of development cooperation programmes and modules. The environmental and economic benefits of development cooperation measures, especially from the target group perspective, are to be demonstrated in logframes. It must also be ensured that the objectives set out in country strategies and development cooperation programmes are closely aligned with the objectives of this strategy and that their specific contribution to the GBF targets is shown. In line with the integrated, cross-sectoral approach of the GBF, the potential for increased mainstreaming of biodiversity and sustainable use of natural resources into development cooperation modules, particularly in the areas of climate and rural development (i.e. modules with the BMZ markers for reduction of greenhouse gas emissions [KLM], adaptation to climate change [KLA] and/or rural development [LE]), is to be harnessed.

Gender equality is afforded particular importance. As such, where possible and useful, projects’ target achievement data are to be disaggregated accordingly and impacts on marginalised, disadvantaged groups, especially IP&LCs, are to be recorded separately.

Policy options and opportunities for measures in this core area are constantly changing as a result of internal or external factors. This is the reason why, in addition to indicators – which record results – and a monitoring and evaluation system, other instruments for learning and further development are used and partners’ capacity to examine their own objectives and measures is strengthened. Dialogue between the BMZ, implementing organisations of German development cooperation and partners in accompanying research is to be intensified.

An evidence-based approach is followed by this core area that also takes into account long-term observations concerning the impacts of German development cooperation – in recognition of the challenge involved in measuring the impacts of complex socio-ecological change processes. Evaluation studies carried out by the German Institute for Development Evaluation (DEval), such as the one on BMZ’s support for protected areas (expected in 2024), as well as by implementing organisations, academic institutions (for instance, research findings of practical relevance from the collaboration with the German Institute of Development and Sustainability (IDOS), international organisations and other donors and partners should therefore be used for the further development of approaches supported by the BMZ. Partner countries, and particularly stakeholders from the fields of research and evaluation, will be involved in the generation and utilisation of evidence. For instance, the MeerWissen initiative, which receives support from the BMZ, promotes partnerships between European and African research centres with the aim of strengthening partner countries’ knowledge concerning marine and coastal protection and using that knowledge to inform political processes.

Internationally available evidence relating to the field, i.e. evaluations, reports and analysis, particularly those concerning international organisations, funds and initiatives financed by the BMZ, is to be used too. The BMZ’s activities in this core area include its active involvement in the work of the committees of multilateral organisations, funds and initiatives. As part of these efforts, it also works towards ensuring that results are systematically monitored there too. Within the Multilateral Organisation Performance Assessment Network (MOPAN), it actively promotes regular assessment of multilateral organisations’ performance.

One year before this core area strategy expires, the BMZ will initiate a process of reflection on whether the strategy and its areas of intervention have been successful and achieved their aims. The strategy will then be updated and evolved on this basis.

**PUBLISHED BY THE**

Federal Ministry for Economic  
Cooperation and Development (BMZ),  
Communications unit, division for  
public relations, digital communications

**EDITED BY THE**

BMZ Division for environmental policy, biodiversity, forests, marine conservation

**AS AT**

April 2024

**DESIGN AND LAYOUT**

Atelier Hauer + Dörfler GmbH