

Editorial

2010 will come to an end soon – and what an exciting and successful year for GFA it was. Our newsletter in March started with articles on GFA's work in energy efficiency and the mitigation of climate change. In June, we focused on our company's contribution to regional integration in Southern Africa and the September edition portrayed GFA assistance to public and private stakeholders in reforming human resources and skills development systems. In a nutshell, we have illustrated the wide scope of development cooperation GFA has always been committed to.

Our last newsletter in 2010 is dedicated to GFA activities beyond Overseas Development Assistance (ODA). GFA stepped up its efforts identifying additional opportunities to make best use of our ODA experience 'at home' in Germany and elsewhere. Successful GFA activities beyond ODA are presented. Some of them are still in an experimental stage. Yet, the examples underline that the knowhow potential of companies working in ODA can be successfully applied in industrialized countries as well. In this respect, the German consulting industry as a whole has strongly benefited from its involvement in the continuous support of the Federal Ministry of Economic Development (BMZ) to developing countries.

I wish all readers of this newsletter, and our staff, clients and partners a peaceful 2011 in general, and a de-escalation of conflicts in the most war-threatened parts of the world in particular.



Klaus Altemeier
Managing Director
GFA Consulting Group

GFA – Beyond Overseas Development Assistance

Since its foundation in 1982, GFA has successfully pursued its vision to become the partner of choice for major Overseas Development Assistance (ODA) agencies. In this context, GFA's core business has been multi-faceted development project management in more than 130 countries. Numerous new approaches and instruments have been developed in a variety of socio-cultural settings, and many lessons learnt have been drawn. Yet, the methodological and management expertise gained was sparsely applied to projects and programs at GFA's doorstep in Germany. But GFA soon became a trendsetter when policy makers realized this valuable potential. Some cases in point may illustrate this development.

Microcredit schemes turned into an established poverty alleviation instrument in development cooperation. Since mid 2010, GFA has grown to be a leading microfinance provider in Germany when it launched its OPTIMIST program for small and micro enterprises in Germany, an initiative supported by the German Ministry for Labor and Social Affairs. Impact monitoring of social programs is essential in development cooperation to justify international aid financed by tax payers. Tremendous efforts were made in development cooperation to measure budget impacts while policy makers in

industrialized countries were mostly concerned about budget spending. But this is changing rapidly due to dwindling public coffers. Measuring impacts of public investments has become a popular demand by policy makers and the electorate. Consequently, GFA Consulting Group increased efforts advising Europe-Aid in further refining its impact monitoring instruments for ODA purposes. GFA Public in Berlin, inter alia, provides research and management assistance to public sector agencies trying hard to assess the impacts of labor and other social programs. The implementation of private sector development projects worldwide has helped GFA acquire vast expertise in promoting products and services of key economic sectors of developing or transition countries. In recent years, GFA was able to extend this knowhow to key industries of the German economy. For example, GFA implements a Ministry of Agriculture (BMELV) program which promotes German agro industry investments in developing and transformation countries. GFA is also seconding staff to the Ministry of Economics and Technology to assist export promotion efforts of German industries related to energy efficiency and renewable energies worldwide.



The need for assistance beyond ODA at GFA's doorstep in Germany

From TRANSFORM to Private Public Partnerships

Since 1993, the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) awarded GFA a general mandate within the framework of the former TRANSFORM and its current Bilateral Cooperation Program. GFA developed and implemented hundreds of projects totaling 80 million Euros.

In the beginning, the overarching issue was support for the agriculture and food industries in Central and Eastern European countries to aid them in the transition from a planned command economy to market economy structures and processes. Even then, it was clear that the partners were not conventional developing countries' recipients so that the projects' methods and instruments had to be managed accordingly.

New Trends

Over the years, the program's thematic and geographical focus has changed while private sector co-financing of projects increased. GFA facilitated this process by developing a program concept that provides optimal opportunities for a rewarding cooperation of German companies with partners in these emerging nations. Today, the program combines government consulting projects, so called agricultural policy dialogues, with hands-on projects in the field. Policy dialog harmonizes partner countries' and EU standards, improves market access for Ger-



BMELV State Secretary Dr. Kloos (right) and GFA team leader Mr. Boerger (left) discuss BMELV program at Golden Autumn Trade Fair in Moscow, Russia

man companies, and supports bilateral trade in Russia, Ukraine and Kazakhstan. Hands-on projects focus on consulting services, knowledge transfer and training. GFA initiates and supports twinning arrangements of German organizations with similar institutions in partner countries, e.g. between German and Russian farmers associations or between universities. This promotes knowhow transfer and helps the German agricultural and food industry take advantage of foreign market opportunities.

Future Prospects

In order to tailor projects even closer to interests of German and partner coun-

tries' enterprises, GFA started developing additional public private partnership (PPP) concepts, and adapted politics, sectors and methods in what are called economic cooperation (WKO) projects. From scratch, strategies are planned and executed together with German companies and associations in the agriculture and food sector. Enterprises and government contribute their share to reach common goals, inclusive joint financing of projects. While the focus on emerging nations remains a brand mark of GFA's work for BMELV, the program is open for projects worldwide since 2008. New regional activities encompass China, Kazakhstan, Romania/Bulgaria, Brazil and Turkey. GFA currently investigates the potential of further projects in India, Mongolia, Uzbekistan, Serbia, Croatia, Chile and Morocco.

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Joint German stand at Agriculture Trade Fair in Harbin, China

Recipe for Success

- **Putting partners and clients first**
- **Flexible, hands-on approach**
- **Diversity of tools**
- **Leverage**
- **Strategic partnerships, networking and co-financing**

GFA Public – Facilitating Change Management

GFA Public is a management consulting firm that offers services to public and non-profit institutions at municipal, state and federal levels. The German public sector is undergoing drastic changes regarding both its functions and the division of labor between public and private actors. Whether within an institution or at a multi-stakeholder level - actors must adapt to these challenges and search for optimal solutions. At GFA Public, a team of experienced consultants acts both as facilitator and technical expert in these adaptation processes. Delivering added value to clients and partners through services of highest standard, technical excellence, and innovative approaches and products is the new company's mission as a member of the GFA Group. Core business areas are labor market policy, vocational training, social policy, and civil society-related issues. Based in Berlin, GFA Public offers research services as well as management consulting concerning organizational development, change and strategic management as well as capacity building. Research comprises evaluation and monitoring of programs and projects as well as studies and analyses covering different sectors, policy fields and instruments such as portrayed in the example below.



Vocational orientation for teenagers



FEA supports vocational programs

BERUFSSTART plus (start on the job), a program of the Federal Employment Agency (FEA) in Nürnberg, prepares students of comprehensive schools in Thuringia for vocational training. Students at grades 7-10 will develop their own professional orientation, test occupations and improve their vocational skills. GFA Public, in cooperation with the Centre for European Economic Research, started evaluating this program in August 2010 and will complete its assessment in September 2012. The evaluation should establish whether the program meets the impact indicators monitored and improves students' professional orientation. GFA will also analyze whether the program can be made an FEA service and can be adapted to other regions. Methodologically, the research project is based on three elements:

Implementation analysis will assess the implementation of BERUFSSTART plus by various actors as far as concept and financing, the selection of schools, educational providers and students as well as further activities at participating schools are concerned. GFA will conduct qualitative case studies at 25 sites, inclusive document analyses and interviews with participating teaching staff and students.

Impact analysis aims at a quantitative review of the program's causal effects on students who engage in program activities, and will use panel interviews.

Site analysis, based on available statistical data, will look into regional or school related factors that influence the program's acknowledged impacts.

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The Optimists

The *Hamburger Abendblatt* recently portrayed the mode of operation of a new GFA corporate unit, GFA Mikrokredit. The bottom line: "Development assistance comes home to Germany". This optimistic and innovative conclusion refers to GFA's special microcredit program called "OPTIMIST – Der Mikrokredit" that offers access to loans to small enterprises in Northern Germany which are rated 'not creditworthy' with banks.

Loans up to 10,000 Euros are granted at an interest rate of 7.5%, to be repaid within 24 months. In this context, GFA's Financial Systems Development Department applies experiences gained with numerous microfinance projects and their



Meeting of the GFA credit committee

positive impact on improved economic conditions worldwide. The funds, allocated by the Federal Ministries for Social Affairs and Labor as well as Economics and Technology, are disbursed by the GLS Bank eG and supervised by the German Microfinance Institute (DMI). After just three months in operation, GFA has 35 loans amounting to 220.000 Euros confirmed, 29% to women and 37% to applicants with a migration background. A plumber, a carpenter, an architect, and the owners of a nail studio and a samba school are typical entrepreneurs in need of investment capital. More information is available at www.optimist-mikrokredit.de.

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GFA Website Relunched

The website of GFA Consulting Group has been redesigned from scratch and was relaunched in October 2010. Aside from GFA Consulting Group, four subsidiary companies and four operational units, all with their own domain, now come under one roof. The website design and concept is dynamic, theme-oriented and user-friendly. More than 20 multi-disciplinary factsheets related to nine different thematic clusters are portrayed. Each factsheet is referenced by at least four projects from different regions worldwide. Employment opportunities in different fields of development cooperation are offered regularly. An attractively visualized news section lets clients share GFA newsletters and up-to-date information.
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Jobs in Development Assistance

In an article of leading German newspaper *Die Zeit* jobs with private consulting companies engaged in international development assistance are described as fit for the future. Paul van der Poel, Head of GFA's Asia Department, is interviewed by *Die Zeit* and reflects on his working experience as a consultant in Asia and as a manager at GFA headquarters in Hamburg. Profound technical competencies in combination with intercultural soft skills are high in demand: communicating, negotiating, advising and mediating with and among community groups, local administration as well as political and economic decision makers is the staff of life of most consultants. Independent ideas and analytical 'out of the box' thinking, a fo-

cus on development issues, empathy and international experience are prerequisites for young professionals. Another trend is that expertise related to environmental and climate change issues are gaining in importance. For further information contact GFA's Recruiting Department.
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Member of Bundestag Pays GFA a Visit

In late October 2010, member of the Bundestag Ms Aydan Özoguz and a delegation of the German Association of Consulting Engineers (VBI) paid GFA a visit to learn about services and problems of a private consulting company engaged in international development assistance. The dialog was induced by the VBI initiative "Parliamentarians Meet Consulting Engineers" which aims at integrating policy and private enterprise. VBI is one of the leading engineering associations worldwide. GFA Managing Director Dr. Klaus Altemeier hosted the guests at GFA Headquarters in Volksdorf and provided insights into the tasks of GFA: "We aim at sustainable solutions for political, economic, ecological and social challenges. As a private sector organization, we bring efficiency to the table. Our services strive to improve the living conditions of people in the countries we cooperate with". Ms Özoguz emphasized that Germany is not only an industrial but also a knowledge base holding important services and knowhow. GFA as a consulting firm has reached a profound market standing against the background of services delivered to BMZ, GTZ and KfW.
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GFAM Founded for International Forest Investment

GFA Consulting Group and Montan Alternative Investment (MAI) founded Global Forest Asset Management (GFAM) for international forest investment. GFAM benefits from the knowhow and the resources of both partners of the joint venture. MAI holds expertise in risk and real asset management. GFA offers long-standing project experience and is the largest FSC certifier in Germany. GFAM offers investors asset management services for the timber asset class. As an added value, GFAM is the first and only German asset manager able to safeguard local forest management through a global network of associated companies.
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Consumer Protection Online in India

On 18 November 2010, head of a German delegation and MP Peter Bleser launched an Internet portal that will enable a central registration of consumer complaints across India. The portal was introduced at the Consumer Advice Centre in Chennai which GFA set up in mid 2010 as part of the Consumer Protection and Sustainable Consumption project on behalf of GTZ. Principle Secretary of Tamil Nadu responsible for consumer protection Mr. Singh and GFA project manager Mr. von Braunnühl informed the delegation about the work of the Centre, typical consumer complaints and information campaigns regularly conducted in rural areas. The delegation had members of German parliament and senior BMELV officials among them.
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GFA Consulting Group is a growing consulting organization active in economic development. The main sectors of the company comprise agriculture and rural development, natural resource management, environmental investment, water supply and sanitation, private sector development, decentralization and public sector management, financial systems development and health. GFA Consulting Group presently works in more than 70 countries and collaborates with selected, specialized partner companies both nationally and internationally.

GFA vision – to be the partner of choice for clients in our core service areas.

GFA mission – to improve the livelihood of beneficiaries through our professional services.

GFA core values – to offer high performance in service delivery, technical excellence in our main sectors, innovative approaches and products, and credibility with our clients when putting projects into practice.