



Germany's Unparalleled Ability to Waste Money On Development Aid

By **Rainer Zitelmann** February 12, 2025

Ibrahim Boran

While Germany has for years had “no money” to meet its target of spending at least two percent of GDP on defense, it is the world champion in development aid spending. Officially, Germany spent almost 37 billion dollars on development aid in 2023, putting it in second place behind the USA, which spent \$66 billion. However, considering that the GDP of the USA in 2023 was six times higher than that of Germany, Germany is easily in first place. In addition, European Union institutions contributed a further 27 billion euros toward development aid, with Germany being the largest contributor. This expenditure should also be factored in and added to the \$37 billion. Now that Donald Trump is radically cutting USAID, Germany is poised to take the top spot globally in absolute terms.

What is Germany's money being used for? Here are some examples: Germany is funding “capacity building and gender training for grassroots civil society organizations and social workers in a province of China” and a “network for gender-transformative education” in Africa. To strengthen civil society in Cameroon, 21 million euros have been earmarked for “gender-transformative initiatives” until 2028.

German taxpayers' money is being used to finance the “promotion of political development education.” In 2024, approximately 43 million euros were spent on this cause. One of the initiatives supported by these funds is the promotion of “anti-consumption city walks.” Advocates from the “One World Group” actively promote these educational activities: “The city walks are about globalization, sustainable consumption, post-growth and criticism of capitalism.” Anti-consumption city walks are guided tours designed to raise awareness of the impacts and problems of consumer behavior. They critically examine how consumption influences the cityscape, the environment and the social structure. The aim is to raise participants' awareness of more sustainable and responsible consumption practices. These tours are organized and conducted by a variety of organizations.

Admittedly, in comparison to other expenditures, these are very small amounts. In 2020, an initial 20 million euros were earmarked for the expansion of the cycle path network in Lima. This was followed two years later, in 2022, by a further 24 million euros for cycle paths in other Peruvian cities. The funds are managed by Germany's state-owned investment and development bank KfW, which is planning and implementing the project in collaboration with the city administration of Lima.

The aim is to create a network of cycle paths spanning a total of 114 kilometers, reported *Frankfurter Allgemeine Zeitung* (FAZ), which took a look at the cycle paths as part of an on-site report in Lima. So far, however, only 5.5 kilometers of the ambitious project have been completed, according to the FAZ.

On location, the FAZ author painted the following picture: “The new double-lane cycle path runs along the central reservation between two dead-straight highways, wide enough for two bicycles to pass each other, and bordered by yellow-painted curbs. A wonderful cycle path - and we have it to ourselves.” However, according to the author, the cycle path is rarely used: “At four o'clock in the afternoon, there's hardly a cyclist to be seen. Instead, the noise and stench of the buses, cars and tuk-tuks is all the greater as they rush past us to the right and left – at a reasonable distance.”

Germany's Federal Ministry for Economic Affairs and Climate Protection allocated 4.6 million euros to fund

“green refrigerators” in Colombia. Money is also flowing into renewable energies in Chile (1.7 million euros), low-emission rice production in Thailand (8.1 million euros), and the energy-efficient refurbishment of residential buildings in Mongolia (6.2 million euros).

A modern tax administration in Cameroon is being set up for five million euros, municipal environmental protection in Colombia (80.5 million euros), and the expansion of climate-friendly public transport systems in Latin America (106.5 million euros).

Biodiversity in Paraguay (6 million euros) and the improvement of water and sanitation in Timbuktu (24.5 million euros) are also very close to the ministry’s heart. The same can be said of gender training in China and a project on “positive masculinity” in Rwanda

One of the Federal Ministry for Economic Cooperation and Development's projects involves spending 8.5 million euros on “Green mosques and buildings in Morocco,” equipping mosques with LED lighting and solar panels. More than 100 mosques have already been given energy-efficiency makeovers, while the construction of a “energy-plus mosque” has even been funded in the city of Tadmant.

These are just a few examples. But even where the money is directed toward projects that appear to make sense at first glance rather than ideological ones, development aid usually achieves nothing – and can even have unintended negative consequences, as I prove in my analysis of a wealth of scientific studies in my book *How Nations Escape Poverty*. The book has been nominated for the Hayek Book Prize 2025.

Rainer Zitelmann is a German historian, sociologist and multiple bestselling author, whose books include “How Nations Escape Poverty”, “The Power of Capitalism” and “Hitler’s National Socialism.” He published 29 books that have been translated into more than 30 languages. In recent years, he has written articles and been the subject of interviews in leading media such as Wall Street Journal, Forbes, Newsweek, The Daily Telegraph, The Times, Le Monde, Corriere della Sera, Israel Hayom, Frankfurter Allgemeine Zeitung, Neue Zürcher Zeitung, and numerous media in Latin America and Asia.

Recommended Newsletters

**Carl M. Cannon's
Morning Note**
headlines against the historic
events

Markets Today
Featuring the latest markets
news