



Die
Bundesregierung

**Report by Germany
to the European Commission**

**on the implementation of the
EU Sustainable Development Strategy**

1. General information

In the 21st century, mankind is confronted with fundamental challenges – climate change and the continuing loss of biodiversity and natural habitats are but two examples of the dramatic developments we face at a global level. The answer to these problems can be found in the ideal of sustainable development.

Sustainable development is a guiding principle of the German Federal Government. It signifies viability for the future. If we want to achieve lasting economic prosperity and social welfare – that is, for today's generation as well as the generations to come – then we must bear in mind the finite limits of our planet's capacity to withstand the pressure of human activity. At the same time, measures taken to this end in different policy areas can impact on one another. It is therefore essential to take an integrated approach, always taking this reciprocity into account, in order to find really viable solutions to the problems at hand.

It was in response to this situation that, in its 2005 coalition agreement, the Federal Government emphatically acknowledged sustainability as a political model. What is needed is clearly a common thread of sustainability running through government actions. With this aim, Chancellor Angela Merkel's Government has taken up the National Strategy for Sustainable Development adopted in 2002 and is developing it further. This strategy, entitled "Perspectives for Germany", formulates concrete goals for all policy areas with a view to securing long-term prosperity and quality of life in a way that takes proper account of the environment.

The Federal Government supports the renewal of the EU Sustainable Development Strategy. It endorses the consolidation of the trend in the EU Member States towards greater sustainability and therefore welcomes the exchange of information¹ on the action being taken on this front in individual countries. It hopes that this information will assist the European Commission in its efforts to enhance the effectiveness of the EU Sustainable Development Strategy. The 21st century must become the era of sustainability – in the Member States, at the European level and internationally.

The following report cites some examples of key elements of Germany's activities as a contribution to the European Commission's deliberations. The attached table contains details of a number of individual projects. Also attached are a report from the Federal Statistical Office on the development of sustainability indicators in Germany and an activity report from the German Council for Sustainable Development.

¹ Representative in Germany: Bundeskanzleramt, Referat 321, 11012 Berlin, email: Berthold.Goeke@bk.bund.de.

2. Progress in meeting the key challenges

2.1 Climate change and clean energy

Combating climate change and striving for sustainable energy production are of particular importance in Federal Government policy. The Government has therefore made climate and energy central themes of its presidencies of the Council of the European Union and the G8.

In the years between 1990 and 2006, Germany reduced its greenhouse-gas emissions by more than 18%. It is therefore only three percentage points short of the Kyoto target of -21% to be achieved by 2012, a shortfall which measures already adopted or envisaged in the coalition agreement are set to meet.

The Federal Government last reported comprehensively on past and future measures in its National Climate Protection Programme 2005.² The measures included in that document are complemented by the coalition agreement of 11 November 2005³ and by work on a national energy strategy in the context of the Energy Summit process.⁴

Germany is set to continue increasing the percentage of its energy obtained from renewable sources. It was able to increase the proportion of its total primary energy supply provided by renewable sources from 2.6% to 5.8% between 2000 and 2006. In the electricity sector, this proportion rose from 6.3% to just under 12% in the same time frame. Under the coalition agreement, at least 20% of electricity supplies are to come from renewable energy sources by 2020.

Further advances will also result from the decision taken by the European Council at its meeting of 8 and 9 March 2007 to raise the share of total EU energy consumption to be met from renewable sources to a mandatory 20% and set down the national targets required to secure this increase in an EU-wide framework. The Federal Environment Minister, Mr Sigmar Gabriel, made a government policy statement on the development of German climate-protection policy on 26 April 2007.

In the interests of meeting its goals in terms of developing renewable sources of energy, the Federal Government will examine the economic efficiency of its Renewable Energy Sources Act. Rates of compensation, phased reduction measures and support periods will hereby be brought into line with the development level of each renewable energy source and new priorities set where appropriate. This examination is to form the basis of an amendment to the said

² <http://www.bmu.de/klimaschutz/downloads/doc/35742.php> <http://www.bmu.de/english/climate/downloads/doc/35833.php>

³ <http://www.bmu.de/das/ministerium/doc/36261.php> http://www.bmu.de/english/the_ministry/doc/36457.php

⁴ http://www.bmu.de/energieeffizienz/aktionsprogramm_energieeffizienz/doc/37830.php

Act, due to enter into force in 2009. The Federal Government is also planning legal provision to encourage the use of renewable energy for heating.

Of the measures already adopted, the following may be highlighted:

- **Furthering the efficiency revolution**

Energy efficiency was the main theme at the National Energy Summit in October 2006 and blossomed there into a highly ambitious action plan. The goal is made clear in the coalition agreement – the Federal Government aims to double the productivity of energy supplies from 1990 levels by 2020.

- **Expansion of building-rehabilitation programme**

One concrete example of promoting greater energy efficiency has been the substantial increase in financial support available for the energy-related renovation of buildings; between 2006 and 2009, a total of around EUR 5.6 billion will have been provided – mainly from programme funds – around EUR 4 billion of which will go towards the “Home, Environment, Growth” initiative through the promotional bank *KfW Förderbank*. Anybody who renovates the energy provision of a house or flat receives a state subsidy. This helps the climate, saves energy costs, creates jobs in construction and generates local economic growth.

- **Introduction of energy certificate for all buildings**

The Federal Government has decided to introduce an energy certificate for existing and new buildings. The certificate shows all house-owners and tenants, as well as prospective buyers or tenants, how much energy a building uses and what measures can best be taken to save energy. This, in conjunction with the CO₂ Building Rehabilitation Programme, will create a vast increase in the energy efficiency of buildings.

- **Further developments in emissions trading**

The facilities involved in emissions trading produced an average of 479 million tonnes of CO₂ per annum between the years 2000 and 2005. The second National Allocations Plan (2008-2012) reduces the permitted amount to 453 million tonnes of CO₂. This includes an allowance of 11 million tonnes of CO₂ for those facilities which will become involved in emissions trading during that period. Germany's second National Allocations Plan thus represents a substantial advance on its first in terms of climate protection and the reduction of CO₂ emissions, enabling Germany to meet its climate protection targets in the Kyoto Protocol (minus 21% by 2012 compared with 1990 levels).

- **Greater proportions of biofuels in petrol and diesel**

The Biofuels Quota Act will ensure that the proportion of biofuels in petrol and diesel increases annually from 2007. The petroleum industry is legally obliged to put a certain minimum volume (quota) of biofuels on the market. From the year 2009, the total quota over both types of fuel will be 6.25%, rising to 8% in 2015. The minimum quotas for petrol and diesel fuel will remain in place. Biofuels had a share of 3.8% in 2005; the coming years will see that figure more than doubled. In 2006, the actual proportion was already well over 5%. Further to this, the development and introduction of second-generation biofuel mass production, which will benefit from tax concessions until 2015, will create the conditions for the use of such fuels on an industrial scale. This makes good energy-policy sense, as second-generation biofuels are better in terms of their environmental performance. It will also serve to reduce Germany's dependence on increasingly scarce imported oil.

- **Progress towards offshore wind farming**

The greatest potential for making use of wind energy in Germany is at sea. As this is new territory for all involved, a pilot offshore wind farm is urgently needed. In October 2006, the Federal Ministry for the Environment therefore signed a framework agreement with manufacturers Repower and Multibrud and energy companies E.ON, EWE and Vattenfall on the construction, by 2008, of an offshore test field.

- **More promotion of renewable energy for heat generation**

Demand for solar panels and biomass boilers has increased enormously; in the first half of 2006, twice as many grant applications were submitted under the market incentive programme as in the same period the previous year. Some 165,000 homeowner investment projects in the field of renewable energy for heating received support in 2006, constituting a volume of investment of around EUR 1.6 billion and serving both to boost local trade and create employment. In response to the high levels of demand, the governing coalition decided in its budgetary deliberations to top up the market incentive programme by EUR 39 million to EUR 213 million in 2007. This is around EUR 75 million more than was available in 2005.

- **Research funding for renewable energy doubled**

While only EUR 45 million was earmarked to fund renewable-energy (RE) research in the relevant budget title in 2005, the new Federal Government has almost doubled the original RE research budget to EUR 83 million within the framework of its six-billion-euro programme. In addition, the budget increases by

EUR 5 million annually, meaning that almost EUR 100 million will be available in 2009.

- **Climate-neutral official travel**

On 28 February 2007, as a material contribution to reducing greenhouse-gas emissions in the conduct of its own business, the federal cabinet agreed to compensate for the CO₂ emissions resulting from all Federal Government official travel from 2007 and thereby render them climate-neutral. All official flights undertaken by members of government or government employees are included, as are cabinet ministers' air travel with the official-flights unit of the German Air Force and all journeys using the government car fleet. The compensation takes the form of investment in additional climate-protection projects to offset the amounts of CO₂ emissions caused by official flights and car journeys. These projects are to be created in the fields of renewable energy and energy efficiency and meet the demanding quality criteria specified in the Kyoto Protocol. Examples of such schemes are solar-energy projects in India or thermal-insulation measures in South Africa.

2.2 Sustainable transport

The mobility of people and goods is a cornerstone of modern national economies, a fact which is especially true of an exporting nation like Germany. The traffic this generates, however, places substantial strain on the environment and creates risks to human health. The goal is therefore to meet the transport requirements of business and society with the lowest possible transport intensity and to further reduce the transport-related pressures on the environment, on nature and on human health.

For the future, too, the Federal Government is dedicated to improving transport intensity. Increasing the use of efficient and environmentally friendly means of transport remains a desirable goal. The environmental tax reform which raised fuel tax, the tax cuts on energy and electricity for the rail network and local public transport systems and emission-linked haulage tolls are all successful examples which have led, among other things, to an increase in the percentage of travel undertaken by rail. Over and above this, the Federal Government intends to include a CO₂ component in its vehicle tax, which is already designed to take account of harmful pollutants, from 1 January 2008. An emission-based landing tax for air traffic is also planned to reduce ground-level pollution. The Federal Government also supports the Commission's plan to incorporate air traffic into emissions trading in an appropriate way.

The Federal Government will also adopt a master plan for freight transport and logistics before the end of 2007, the aim of which is to increase the efficiency of

the freight-transport system. Success here will depend principally on further optimising logistical procedures and reducing the bottleneck effect at trans-shipment points in multimodal freight transport.

The Federal Government, furthermore, supports the market entry of a new generation of innovative ship designs which will lead to a distinct reduction in climate-damaging CO₂ emissions as well as air pollutants like particulate matter and NO_x. These types of vessel are also better suited to the rivers, which will enhance the future competitiveness of the environmentally friendly inland waterway vessel.

The national fuel strategy provides the framework for improving the energy efficiency of engines, be they conventional engines, hybrids or fuel-cell engines, broadening the fuel base to include of biofuels and hydrogen and thereby diversifying energy supplies for transport operations while simultaneously reducing traffic-related CO₂ emissions. With this in mind, the Federal Government has introduced, for example, a system of quotas for biofuel (Federal Ministry of Finance) effective from 2007, along with a National Hydrogen and Fuel Cell Innovation Programme.

To reduce traffic noise pollution, a national noise-protection package was adopted in 2007 which combines new and ongoing measures for better protection against noise pollution.

2.3 Sustainable consumption and production

The Federal Government has supported the production and distribution of sustainable products in many ways and for many years. It hereby contributes to the ten-year programme agreed as part of the Marrakech Process at the World Summit on Sustainable Development in Johannesburg. One long-established instrument is the “Blue Angel”, which shows consumers the environmental friendliness of a product directly on its packaging. Beyond this, the Federal Government, among other activities, supports fair-trade products through information campaigns, publishes consumer advice and sets research priorities in the field of sustainable consumption.

Through its support over several years of the nationwide ‘fair feels good’ information campaign, for example, the Federal Government was able to help increase public awareness and sales of fair-trade products.

With its ‘*Echt Gerecht – clever kaufen*’ (‘Be fair – buy shrewdly’) campaign, the Federal Ministry of Food, Agriculture and Consumer Protection provided people with information on sustainable consumption for almost every area of everyday life.

In public procurement, too, several environmental and, increasingly, social criteria are taken into consideration, as can be seen in the new purchasing guidelines for wood products, for example. Moreover, Federal Ministry for the Environment, within the framework of various dialogues with experts in relevant fields, has been identifying specific lines of approach and launching new cooperative projects since 2004. This process is set to continue. With the involvement of all relevant groups within society, existing activities are to be combined and new initiatives launched. One essential goal in this process is to establish sustainability as a measure of product quality.

2.4 Preservation and management of natural resources

Particularly in the context of the pursuit of sustainable development, raw materials and technological advances are inextricably linked. While research and technology have been instrumental in the replacement of pollutant or particularly cost- or energy-intensive materials, in the introduction of more effective extraction and processing techniques and, ultimately, in the increasingly efficient use and reuse of raw materials, further efforts are none the less required. In the years since 1960, Germany has increased its labour productivity by a factor of four. Energy productivity, on the other hand, has only risen by a factor of two and materials productivity by a mere 1.5.

In manufacturing, over 50% of costs relate to materials, energy and raw materials, whereas markedly less than 25% relate to wages. Raising energy and materials productivity, therefore, is not only vital for reasons of environmental protection but also helps to foster innovation and employment. It is economically, socially and environmentally sound.

The Federal Government made greater resource efficiency one of its top priorities in the coalition agreement. The Government's sustainability strategy includes the aim to double materials productivity by 2020. Developing efficiency technology for sustainable use of resources can provide a considerable boost for growth and employment and is therefore also regarded as a field with great innovation and export potential in the context of the Lisbon Strategy.

The Federal Government has also made steps towards a sustainable primary sector a focal point of its National Strategy for Sustainable Development.

The goal is to define a framework for action to cultivate sustainability in the primary sector as well as developing proposals for the solution of such problems as using resources economically, ensuring the availability of raw materials, reducing damage to the climate or combating the social and developmental effects of raw-material extraction. This general framework for action is fleshed out

with projects reflecting the economic, environmental, social and global dimensions of the issue:

1. a research-funding programme to improve resource efficiency,
2. improvements to materials efficiency in SMEs,
3. efficiency gains through greater use of information and communications technology,
4. innovative multiple use of renewable raw materials, and
5. Greater transparency regarding developments in the commodities markets of developing countries

These are intended to lead to interdepartmental or otherwise integrative suggestions for action and measures to be taken which will help significantly and continuously to improve material and resource efficiency in Germany.

At the second Raw Materials Congress of the Federation of German Industries (BDI) on 20 March 2007, Federal Chancellor Angela Merkel presented elements of a government strategy for raw materials. These elements of the Federal Government's raw-materials strategy⁵ are the result of numerous specialised discussions and conferences as well as recommendations and expert opinions on specific issues concerning the primary sector, and their main aim is to safeguard the supply of metal and non-metal raw materials for German industry. Agricultural commodities and wood are also covered by the strategy, as these fields are gaining in importance.

Germany lends both political and financial support to the initiative to improve transparency in the primary sector (Extractive Industries Transparency Initiative, EITI) and is a member of its International Board. The goal of EITI is to improve the transparency of payments relating to the extraction of oil, gas and other commodities in the countries of Africa, Asia and Latin America and to help ensure that this revenue finds its way into the state budget and the fight against poverty in an accountable manner.

The Federal Government makes important bilateral and multilateral contributions to this global initiative through payments to the international financial funds, the Multi-Donor Trust Fund, an EITI scheme in Central Africa and a public-private partnership (PPP) project. The German Presidency of the G8 has made this a prominent theme in its development agenda. Germany will host a global conference on good governance in the raw-materials sector in the second half of 2007 with the principal goal of deepening the dialogue between the members of the G8 and emerging countries.⁶

⁵ <http://www.bmwi.de/BMWi/Navigation/Energie/rohstoffpolitik.html>

⁶ <http://www.eitransparency.org>

2.5 Health

At the centre of any sustainable German nutrition and health policy is more robust disease prevention and promotion of a healthy lifestyle. Avoiding the pain of illness and improving health not only raises people's quality of life, their sense of well-being and their productivity but also saves money. Prevention is to be made a pillar of the health-care system in Germany in its own right, one means to this end being a Prevention and Health Promotion Act. The aim here is to focus health-promotion efforts more sharply than in the past on people's immediate living environment. Major priorities of German disease-prevention policy are programmes for early cancer diagnosis, the promotion of mental health and the promotion of healthy eating, such as the national action plan for the prevention of malnutrition, lack of exercise, obesity and related diseases. Measures to improve health in socio-economically disadvantaged sections of the population are also included.⁷

2.6 Social inclusion, demography and migration

As the National Strategy Report on Social Protection and Social Inclusion, 2006 – 2008, shows, combating poverty and social exclusion is an important part of policy both nationally and at the individual state level. At the centre of the general strategy lies the development of the knowledge-based society as a pivotal prerequisite for inclusion and social justice. The Federal Government also places particular importance on the integration of migrants and already makes significant resources available – already, for example, more than EUR 140 million annually to pay for integration courses – and finances numerous other measures to promote integration. In the follow-up process to the National Integration Summit, the Government will compile a national integration plan by July 2007.

The first signs of progress resulting from the economic upturn, the introduction of fundamental reforms to the social-protection apparatus and the stabilisation of non-wage labour costs can be detected in Germany. The employment rate among women and older workers has already been rising continuously for the past few years. At the end of 2006, it had already reached 49.9% among older workers. At 61.5% (2006), the rate of employment among women has already met the EU target for 2010 (60% by 2010). With her adoption of the "Experience is the Future" Initiative in November 2006, the Federal Chancellor has created an important platform for all older citizens, which places stronger emphasis on older people's potential. The initiative is designed to highlight the prospects for an ageing society in the fields of employment, new businesses, lifelong learning, disease prevention and voluntary work and to bring about the necessary changes through collaborative efforts.

⁷ See <http://www.gesundheitliche-chancengleichheit.de/>

In youth unemployment, too, we are making progress. The Federal Government's ultimate ambition is to ensure that no young person is out of work for more than three months on average. This political target is more ambitious than the EU's corresponding employment-policy guideline (young people to receive a job offer after six months' unemployment at the latest). At the forefront of this policy is the Training Pact, extended with the agreement of the business community by three years until 2010, with the Government's Youth Job-Market Entrance Qualification programme (table showing 'flagship' example: see Annex). The business community has greatly increased its original pledges. Youth unemployment is falling steadily and is now more than 25% lower than it was at this time last year (376,000 young people unemployed in May 2007). Alongside these projects, the "Jobs Without Barriers" initiative involves all concerned in fighting for a higher level of employment among the disabled.

Under the slogan "Joining Forces for a Social Europe – a Social World," the events organised by the German Presidency of the Council of the European Union have helped revive awareness of the social element in the European integration process. In the conclusions of its spring meeting in March 2007, the European Council highlighted the importance of the social dimension of the EU and pointed towards the close relationship between competitiveness, employment and social cohesion. It also stressed the continuing need to combat poverty, especially child poverty, and urged that more account be taken of the common social objectives of the Member States within the framework of the Lisbon Agenda (see particularly paragraph 19 of the EU Presidency Conclusions).

2.7 Global challenges of poverty and sustainable development

The overarching aim of the Federal Government and of German development policy is to reduce poverty worldwide, build peace and bring about democracy, promote equitable forms of globalisation and protect the natural environment. The protection of the environment and of natural resources is vital for the survival of the species and therefore a priority area in Germany's development cooperation. A third of all measures fall into this category. Reforming international framework conditions and improving good governance in the developing countries are also focal points, as is the inclusion of diverse players in political decision-making processes. Within the framework of an environmentally orientated fight against poverty, cooperation is focused not only on the 'traditional' sectors – the environmental and the social – but also on economics and finance, since economic processes play an essential part in deciding how resources are dealt with and how their distribution may affect deprived and marginalised groups.

The 2015 Programme of Action sets ten priority areas for the fight against poverty, which partly go beyond the Millennium Development Goals and also include the aims set out in the Millennium Declaration, for example in the field of good governance. The area entitled “Ensuring access to vital resources and fostering an intact environment” explicitly highlights the relationship between poverty and the environment. Among the measures which the Federal Government implements nationally and internationally are measures for the protection and sustainable use of natural resources, sustainable and poverty-reducing management of water resources, measures for the reduction of wasted resources and measures in the area of disaster risk management.

Further actions by German development cooperation to combine environmental sustainability with the eradication of poverty can be seen in the embedding of the sustainable-development idea within the follow-up process to the Johannesburg Summit, in other international institutions like the OECD, the World Bank and the regional-development banks, in contributions to implement the relevant UN Conventions, in the integration of environmental protection and the protection of resources within poverty-eradication strategies, in the integration of environmental and developmental aspects into international law and in the establishment of sustainable funding instruments for the environment and sustainable development.⁸

3. Horizontal issues

3.1 General and vocational education

Sustainable development is a process of social change which affects everybody, and which each person must live out in his or her own area. However, the involvement of qualified people and effective participation in this process will not happen by itself. There is a need for education to put people in a position to ensure that new social developments are durable. The way to sustainability leads through education.

2005 saw the adoption of the National Action Plan on the UN Decade of Education for Sustainable Development, which combines and builds on numerous activities run by the various players in the field of education. The package includes more than 60 measures covering all the main forms of education (pre-school, school, non-school, vocational and tertiary education).

It is in this context that the Federal Government provides comprehensive learning materials and other inputs on environmental topics for use in schools and non-school educational institutions in order to promote scientific and technical education.

⁸ For an example project, see <http://www.bmz.de/de/themen/umwelt/projektschaufenster/index.html>

The fruits of the *Bund-Länder* Commission's (BLK) school programme BKL-21 - Education for Sustainable Development, such as lesson materials and in-service courses for teachers, are being more widely disseminated by the BLK programme Transfer-21. This programme is intended to reach a total of 10% of all schools in the participating *Länder*. The central educational goal is the acquisition of creative skills for the future. Fifty tried and tested sets of lesson material on sustainable-development themes and handouts on organising education for sustainable development are available to schools as a result of the BKL-21 programme. In addition, several models for the in-service training of teachers have been devised and tested and are available for use.

In the field of vocational training, the Federal Government is supporting the pursuit of the priority goal of vocational training for sustainable development. At the end of 2004, six trials were under way, and six more were added in 2005. The occupational spectrum ranges from renewable energy to regenerative raw materials, from the management of sports facilities to executive training in the sustainable management of small and medium-sized enterprises. Essential aspects of sustainable development are embedded in the curricula and examinations for both initial and further training. The Federal Institute for Vocational Education and Training (BIBB) is developing a constantly updated catalogue of sustainability-related vocational and sector-specific activities.

The Internet gateway *Bildung für eine nachhaltige Entwicklung* (Education for Sustainable Development) was set up in 2005 as a common platform to catalogue and present these activities.⁹

As a contribution to the framework programme Research for Sustainability, projects have been launched in the field of sustainable forestry with a view to augmenting the transfer of research findings.¹⁰ Research efforts are also concentrated on methodology and the use of media (such as e-learning and environmental and sustainability communication) for general and school education.

As part of the interdisciplinary Bi-FONA-Wald forestry training project,¹¹ for example, the transfer of sustainability-related research findings has been incorporated into professional practice in the forestry and timber sector. Current research under this scheme has made it possible to identify new skill requirements as well as to develop and test applications and, where possible, incorporate them into education and regulatory policies. BI-FONA functions as a 'service project' by providing advice to other schemes within the research field on questions of education and methodological competence.

9 <http://www.bne-portal.de>

10 <http://www.nachhaltige-waldwirtschaft.de>

11 http://www.bibb.de/de/nh_26460.htm

3.2 Research and development

The volume of funding provided for research into sustainable development in the current legislative term totals around EUR 1.2 billion. The Research for Sustainability (FONA) programme for sustainable innovations receives support to the tune of about EUR 800 million. From 2007, an additional EUR 255 million will go into the Programme for Action on the climate and around EUR 150 million will fund a basic programme for energy research.

The FONA framework programme, with its focus on applied research, seeks to make the concept of sustainability a permanent specific target of research funding. Its interdisciplinary approach, focused on the interface between the natural and social sciences, sets the programme apart, not only in Germany but globally too. As well as the academic community, the programme enables other important players to participate, such as industry, training providers, management and labour organisations and local authorities. Over 1000 research projects were thus initiated within partnerships in 2007. The themes for 2007 are economics, bionics and resource efficiency.

In the interests of propagating the concept of sustainability within the scientific community, public sustainability forums ('FONA forums') have been held. The most recent was the conference entitled *Research for Sustainability - from Lisbon to Leipzig through Research*, which took place in May 2007 during the German presidency of the EU Council.

To bolster its contribution towards a sustainable energy supply, the Federal Government provided a total of EUR 93 million to research projects in the field of renewable energy in 2006. EUR 98 million, including EUR 10 million for research projects on bio-energy, has been earmarked for such projects in 2007. This targeted research funding serves to encourage German companies to develop sustainable energy-supply technology and thereby protect the climate and save on fossil fuels.

Following the publication of the Stern Review and the IPCC Assessment Report early in 2007, the position of climate-protection research as a major topical issue and a complement to the Framework Programme has been strengthened. Group projects are being supported within the framework of the '*klimazwei* – Research for climate protection and protection from climatic effects' funding initiative and the regional competition *Klimzug*. This will be joined in 2008 by the Climate Action Programme, the aim of which will be mitigation of the causes of climate change and adaptation to climate change. 'Road maps' for research will be drawn up in cooperation with industry by the autumn of 2007.

At the international level, the Federal Government is working on strategic dialogue with strong emerging countries (BRICs, O5, Next Eleven) in order to use environmental technology developed in Germany to gain acceptance for the Federal Government's sustainability targets and to open up new markets for that technology.

3.3 Economic and funding instruments

As early as 1999, environmental tax reforms were introduced in line with the EU Strategy for Sustainable Development, which was renewed in 2006. One goal of these reforms was to use fiscal levies to make fuel and electricity more expensive and thereby encourage energy-saving; the other was to use the resulting tax revenue to reduce the burden of labour costs by lowering pensions contributions. These reforms have thus served to create a more employment-friendly climate.

The environmental tax reforms, which entered into force on 1 April 1999, were implemented in five stages. Initially, the oil tax rate on fuel was raised and an electricity tax introduced. On each 1 January from 2000 to 2003, the tax rates on fuel and electricity were then increased. The fifth and final stage of the reform came into effect on 1 January 2003. The tax revenue gained by the Federal Government is used primarily to improve retirement-pension provision, particularly by reducing the burden of pension contributions.

Implementing the EU's environment-protection targets at the national level is an ongoing process which must be backed by European legislation regulating state aid. There is a need to improve the basic conditions created by the EU for cost-efficient funding initiatives that produce sufficient incentives for action and require little administrative input. As the Community guidelines on state aid for environmental protection and the general exemption regulation are recast, the Federal Government is therefore urging that they be made easy to apply in a targeted manner.

3.4 Communication, mobilisation of stakeholders and multiplier effects

An important role in the dialogue with civil society in Germany is played by the German Council for Sustainable Development.

The German Council for Sustainable Development was first convened in April 2001. The current period of tenure began in May 2007 and will run until 2010. The body comprises representatives of environmental, economic, social and global interests. It is the task of the Council to advise the Federal Government on the National Strategy for Sustainable Development and make recommendations regarding concrete areas for action and projects. It is also tasked with fostering social dialogue on the issue of sustainability.

This mandate includes running events, editing the Council's newsletter and managing its website. The Council has built up a professional public-relations service that supplies the press and television media with a wide range of information. It has entered into diverse media partnerships for special projects. On a number of occasions, the Council has focused specifically on the topic of media policy and built up a close working relationship with the Press and Information Office of the Federal Government and the Adolf Grimme Institute.

A dialogue on sustainability in the context of art and culture has been initiated through workshops and invitations to speak on artistic matters at the annual conferences. The public annual conferences have become a political calling card and meeting place for interested players in the area of sustainability.

In 2005, the German Agency for Technical Cooperation (GTZ) and the Council initiated and carried out an informal exchange of experience relating to sustainability strategies with Brazil, Russia, China, South Africa and Germany. The key topic here was how economic growth can be achieved in a way that is compatible with the needs of the environment and society. As part of a two-stage process, all six countries first held national conferences that were attended by between 30 and 80 decision-makers and experts from the fields of politics, trade and industry, civil society and research. This formed the framework for the first peer review of Germany's sustainability policy with German experts. During the second stage, representatives of the national preparatory conferences came to Berlin to attend a two-day international dialogue conference. The results of the international conference were introduced one day later at the fifth annual conference of the Council (on the topic "Sustainability – the formula for growth, from quantity to quality") in a panel discussion that included experts from the BRICs countries.

3.5 Implementation, monitoring and follow-up measures

A rigorous and transparent performance assessment is an essential criterion of a credible and efficient policy. The Federal Government therefore regularly reviews the implementation of measures which have been announced. It has so far published two reports updating the national strategy for sustainability (Progress Report, 2004; Sustainability Road Map, 2005). Development in central areas of sustainability is analysed using key indicators, most recently in the Indicators Report published in 2006 by the Federal Statistical Office.¹²

The Federal Government is advised by the German Council for Sustainable Development¹³ under the chairmanship of Dr Volker Hauff, member of the

¹² See below, Chapter 5 - National Strategy for Sustainability.

¹³ See above, section 3.4 - Communication, mobilisation of stakeholders and multiplier effects.

Brundtland Commission/ World Commission on Environment and Development. Professor Klaus Töpfer, former Executive Director of UNEP, is also a member of this body.

A further important role in the political discussion is performed by the Parliamentary Advisory Council on Sustainable Development under the chairmanship of Günther Krings, MdB.¹⁴ Forty Members of the German Bundestag from all parliamentary groups belong to this body.

4. WSSD – World Summit on Sustainable Development

Implementation of the results of the World Summit on Sustainable Development (WSSD, Johannesburg, 2002) is the task of the UN Commission on Sustainable Development (CSD) in New York. Germany produces a national report on implementation progress on each of the thematic profiles agreed in a two-year cycle with the CSD (e.g. CSD 14/15: Energy, Industrial Development and Atmosphere/Air Pollution).¹⁵

A series of partnerships were agreed in Johannesburg in which Germany was, and in some cases still is, involved. The following are examples of such partnerships in the field of renewable energy and energy efficiency.

- The Renewable Energy Policy Network for the 21st Century (REN21) was called into being at the International Conference for Renewable Energies (Renewables 2004) in Bonn. This is a global network dedicated to bolstering policy development and decision-making at the sub-national, national and international levels and thereby allowing the rapid expansion of renewable energy sources in developing and industrial countries.¹⁶
- The European Union Energy Initiative for Poverty Eradication and Sustainable Development (EUEI)¹⁷ aims to enable the world's more than two billion "energy poor" to access sustainable energy services. In so doing, the EUEI espouses close cooperation with developing countries, the private sector, financial institutions and civil society.
- The Global Network on Energy for Sustainable Development (GNESD)¹⁸ is a knowledge network of developing-world research centres and centres of excellence working on energy, development and the environment. It aims to improve the capacity of national institutions to develop strategies for sustainable development.

¹⁴ http://www.bundestag.de/parlament/gremien/parl_beirat/index.html.

¹⁵ <http://www.un.org/esa/agenda21/natlinfo/countr/germany/index.htm>

¹⁶ <http://www.ren21.net>

¹⁷ <http://www.euei.org>

¹⁸ <http://www.gnesd.org>

Germany is also a founding member of the Congo Basin Forest Partnership (CBFP) established at the WSSD to protect the forests of the Congo Basin. The goal of this partnership is to support the commitment of Congo Basin States to sustainable forest management and regional and cross-border cooperation. Together with the Conference of Ministers for the Forests of Central Africa (Comifac), a regional organisation, the CBFP is the most important platform for donor activities and political dialogue in the Central African forestry sector. Germany will take over as facilitator of the CBFP in mid-2007 and, among other things, will strive for better donor coordination.¹⁹

With its Programme for the Introduction of Social and Ecological Standards in Developing Countries, which was again substantially extended following Johannesburg, the Federal Government supports the further distribution and improvement of voluntary standards. The inclusion of important stakeholders plays a significant role here. Back in 2001, before the WSSD, it initiated a Round Table on Codes of Conduct for social standards in cooperation with representatives from government, businesses, associations, trade unions and NGOs, and it continues to moderate that forum. The goal is to establish a mechanism for sharing experience and together to implement and evaluate joint pilot projects. Alongside such dialogue-based approaches, quite specific project-based standards initiatives are supported in the textile sector and, since the end of 2003, in the coffee sector.²⁰

5. National Strategy for Sustainable Development (process, priorities, monitoring)

5.1 Process

The basis from which the National Strategy for Sustainable Development was developed was a decision taken by the Federal Government in summer 2000. The Strategy was then passed by the cabinet under the title 'Perspectives for Germany' in April 2002²¹ and thereafter presented at the World Summit on Sustainable Development in Johannesburg.

Regular reports have been made available on the further development and monitoring of the Strategy. These are the 2004 Progress Report,²² the 2005 Sustainability Road Map²³ – both Federal Government reports – and the Indicators Report of 2006,²⁴ a report from the Federal Statistical Office.

¹⁹ <http://www.cbfp.org/en>

²⁰ <http://www.sustainable-coffee.net>

²¹ http://www.bmu.de/files/pdfs/allgemein/application/pdf/nachhaltigkeit_strategie.pdf

²² http://www.nachhaltigkeitsrat.de/service/download/strategie_2004/Fortschrittsbericht_2004.pdf

²³ http://www.nachhaltigkeitsrat.de/service/download/wegweiser_nachhaltigkeit/Wegweiser_Nachhaltigkeit_2005.pdf

²⁴ http://www.destatis.de/download/d/ugr/Internet_Nachhaltigkeit.pdf

Within the Federal Government, responsibility for the National Strategy for Sustainable Development lies not with a ministry but with the Federal Chancellery. This highlights the importance of sustainability as the Federal Government's guiding principle. At the same time, this also goes to show what a cross-cutting issue sustainability is. The development of the Strategy as well as the subsequent reports were accomplished by the Committee of State Secretaries on Sustainable Development, chaired by the head of the Federal Chancellery. All federal ministries are represented on this committee. Its decisions are prepared by a departmental working party led by the Federal Chancellery. This gives sustainability a clear-cut place in the structure of the Federal Government.

However, sustainability does not lend itself to prescription by the Government. The close involvement of businesses, associations and the general public is of central importance if sustainability is to become a reality.

For this reason, the Federal Government has involved civil society closely in the formulation and further development of the Strategy. The methods used for this purposed ranged from traditional consultation processes to the possibility of delivering opinions on drafts and even to Internet chat sessions with ministers and state secretaries.

The German Council for Sustainable Development, established in 2001, is of particular significance in involving stakeholders from within society.²⁵ The Council comprises 15 members, who represent environmental, economic and social interests and can blend these into a wider perspective. The current period of tenure began in 2007 and will run until 2010; members are appointed by the Federal Chancellor.

5.2 Priorities and instruments

The 2002 National Strategy for Sustainable Development regards the environment, the economy and social justice as the three dimensions which must be considered in the choice of goals and measures – particularly in decisions affecting the longer term. Intergenerational equity, quality of life, social cohesion and international responsibility are all elements of the ideal of sustainable development.

Rules for managing sustainability are defined in the Strategy. The basic rule is that “every generation must solve its own problems and should not burden the coming generations with them. At the same time it must make provision for foreseeable demands on its resources. This applies to the conservation of natural conditions for life, to economic development and also to social cohesion and

²⁵ See also Chapter 3.4 above - Communication, mobilisation of stakeholders and multiplier effects

demographic change.” Sustainability is thus a kind of contract between generations. Sustainability demands that we think beyond the short term and look to the middle and long-term future.

The following key focal points for sustainable development were defined in the Strategy in 2002:

- using energy efficiently – protecting the climate effectively,
- guaranteeing mobility – protecting the environment,
- producing healthily – eating healthily,
- shaping demographic change,
- changing old structures – developing new ideas,
- innovative enterprises – successful economy”, and
- reducing land use.

The following additional focal points were included in the Progress Report in 2004:

- new energy-supply structure incorporating energy from renewable sources,
- the potential of older people in the economy and society,
- reducing land use, and
- alternative fuels and propulsion technology.

In the 2005 Sustainability Road Map, the theme of demographic change was linked to other themes such as sustainable mobility. In addition, the Federal Government further developed the Sustainability Strategy within the following thematic areas:

- modern electricity supply – optimum integration of renewables,
- regenerating raw materials – for new products and growth markets,
- viable forestry – developing economic prospects, and
- protecting and benefiting from biodiversity.

The Federal Government’s current work in the field of sustainable development is focused on the climate and energy efficiency, sustainability of the primary sector and the potential of demographic change as an instrument of social cohesion. The next progress report is planned for 2008. Alongside work on the new focal points, it will cover the implementation of measures resulting from previous reports as well as examining the question of related sustainability indicators and reviewing the existing targets.

5.3 Monitoring and evaluation

A national sustainability strategy is only credible if it can be measured against specific performance targets. We need indicators for these targets and reference values, to be able to recognise improvements and guide future action. These indicators also aid communication about progress and undesirable developments.

The 2002 National Strategy for Sustainable Development contains 21 targets, with indicators, which reflect the cross-cutting character of sustainability policy. The number of these so-called key indicators was deliberately kept low in order to enable the Federal Government to see at a glance what stage of sustainable development has been reached with the aid of a limited number of statistics. These indicators cover factors such as national debt, the productivity of raw materials, the proportion of 25-year-olds with a tertiary education, full-time day-care facilities for children and trade between developing countries and the European Union. The indicators are divided into four categories – intergenerational equity, quality of life, social cohesion and international responsibility.

The Federal Government reported on development in its 2004 Progress Report. The most recently published is the 2006 Indicators Report by the Federal Statistical Office. It describes the state of progress towards the targets at that time. The Federal Statistical Office report shows that important progress has already been made on some indicators, such as the development of the supply of energy from renewable sources and budget consolidation. Other areas still show a distinct need for action.

The Federal Government will address these questions in the 2008 Progress Report.

6. Sustainability strategies in the *Länder*

The success of sustainability policy is particularly dependent on cooperation between the Federal Government and the *Länder*. Through the Bundesrat, the *Länder* have a hand in federal legislation, and they also decide on independent measures within the parameters of their own responsibilities. An excellent forum for discussion with the *Länder* of the environmental aspects of the Federal Government's planned sustainability policy is the Conference of Environment Ministers. The Conference of Environment Ministers (UMK) meets twice a year and brings together the environment ministers of the Federal Government and of all the *Länder*.

Back in 1997, at their conference in Jena, the members of the UMK formulated the guiding principles of sustainable environment policy. Since then, all the *Länder* have established their own sustainability strategies. The UMK working

group on sustainable development (*Bund/Länder-Arbeitsgemeinschaft Nachhaltige Entwicklung (BLAG NE)*) is the forum for exchange between the Federal Government and the *Länder* on sustainability strategies, aspects of education for sustainable development, fiscal and economic questions related to environmental protection and environment-information systems. The central questions of climate, energy and transport policy are discussed in the *ad hoc Bund/Länder*

Arbeitsgemeinschaft Klima – Energie – Verkehr (Federal Government/*Länder* working group on the climate, energy and transport). Synergy is achieved within this body by maintaining a common information base and exchanging output. In addition, the BLAG NE has developed a set of core sustainable-development indicators for the UMK as a basis for a robust reporting procedure in the *Länder* in the realm of sustainability

As early as 1998, the chairs of Germany's central associations of local authorities, the German Association of Cities and Towns (DST), the German County Association (DLT) and the German Association of Towns and Municipalities, together emphasised their common aim to enlist as many local authorities as possible for the Agenda 21 process. As things stand, 2,610 local authorities, i.e. 20.4% of them, but representing more than 50% of the population, have adopted a local Agenda 21. Moreover, significantly more local authorities have committed themselves to the idea of sustainable development without initiating a separate consultation process on the whole range of themes covered by Agenda 21. The Federal Government and the *Länder* are working to stabilise both the Agenda process and the sustainability process in Germany's local authorities and simultaneously to mobilise the potential which is latent in these processes, particularly in that of implementing the National Strategy for Sustainable Development.

It is in this context that the promotional programme for activities at the local-authority level, entitled *Citizens Initiate Sustainability*, was run from 2004 to 2006.

Selected sustainability activities in the *Länder*:

Baden-Württemberg

In March 2007, under the slogan "Jetzt das Morgen gestalten" (Making Tomorrow Today) (www.jetzt-das-morgen-gestalten.de), the *Land* launched a comprehensive sustainability strategy. Under the leadership of the Minister President, representatives from politics, administration, business and society here are developing proposals for action on key issues, among them energy, production and labour as well as the development of towns and regions. The Baden-Württemberg Council on Sustainable Development, formed by the *Land* in 2002, supports the

sustainable-development work of the state government as an external and independent advisory body.

Bavaria

Bayern-Agenda 21 was adopted in 1997 as a guiding principle and orientation framework for sustainable development in Bavaria. The 2002 action programme *Umweltgerechter Wohlstand für Generationen* ('green prosperity for generations') formulated qualitative and quantitative targets. The Bavaria-wide environment indicators, measured continuously since 2004, also play an important role. The year 2007 will see an environmental report in addition to these 20 indicators.

Berlin

On the basis of the Berlin Agenda Forum's draft proposal, the Berlin House of Representatives adopted a Local Agenda 21 for the *Land* of Berlin on 8 June 2006. It sets environmental, economic and socio-cultural targets in terms of quality standards and action to be taken for each of the Agenda engagement areas, as well as defining suitable measures. These action targets are also intended to function as indicators of progress towards targets for the year 2030. A mechanism for monitoring progress towards these targets is to be established.

Brandenburg

The Government of Brandenburg is currently considering starting to develop its own strategy on sustainable development. A Council on Sustainable Development comprising experts from various disciplines has been formed as an advisory body to the Brandenburg Government.

Bremen

Bremen is taking a project-based approach in the field of sustainable development, providing support for many schemes and initiatives. One of these is the *bremen initiative*, which promotes sustainability dialogue and partnership between the administration and the business community. The experience gained here has led to the umbrella brand and joint venture *umwelt unternehmen* (environment enterprise).

Hamburg

The aim of the Hamburg Sustainability Strategy is to put the sustainability principle in the spotlight, to take due account of it in all policy areas and to make it a reality through suitable initiatives. The website www.nachhaltigkeit.hamburg.de provides an overview of activities. Hamburg has been reporting on its progress in implementation through an indicator-based reporting system since 2005. An important generator of

ideas in the city's sustainability-related processes is the **Zukunftsrat Hamburg** (Hamburg Council for the Future) which brings together around 100 NGOs.

Hesse

The programme for action on the environment published by Hesse with targets, measures and indicators in 2002 is being overhauled. The strategy on sustainable development was laid down in the division of responsibilities for the various departments in the programme of government for 2003-2008. Sustainable development has been encouraged and supported financially, institutionally and in terms of personnel in the Hessian local authorities since 1996.

Mecklenburg-Western Pomerania

The Government of Mecklenburg-Western Pomerania adopted its Agenda by Cabinet decision on 23 May 2006. The Agenda framework is fleshed out with about 390 targets and around 350 measures and projects designed to achieve them in more than 50 separate chapters. Some of these targets are precisely quantified. Steps have been taken to involve stakeholders within civil society.

Lower Saxony

The Government of Lower Saxony produced a comprehensive report on sustainable development in August 2006. This report is to be further developed into a coherent Strategy for Sustainable Development for Lower Saxony covering all policy areas by summer 2007.

North Rhine-Westphalia

Resource efficiency, environmental protection integrated into production in SMEs – together with the *Effizienz-Agentur* (efficiency agency) NRW – and the *Dialog Wirtschaft und Umwelt* ('Business and environment dialogue') NRW – are essential components of the Sustainable Management component of the NRW sustainability strategy.

A second component of this strategy is the implementation of the UN Decade of Education for Sustainable Development 2005-2014 in conjunction with civil society within the framework of the *Zukunft Lernen* ('Learning the future') action plan adopted by the Government of NRW.

At the international level, NRW supports the sustainable development process through its development of the UNEP Centre for Sustainable Production and Consumption in Wuppertal.

Rhineland-Palatinate

Every two years, Rhineland-Palatinate compiles a sustainability report on the basis of a decision passed by the *Land* Government in 1999. In the third and current Agenda 21 programme, entitled *Prospects for Rhineland-Palatinate*, appropriate targets along with specific projects were identified for 22 areas for action with the involvement of numerous groups within society. Linking these areas for action to available, meaningful and, in some cases, nationally comparable indicators has served to produce an initial evaluation. An overview is available at agenda21.rlp.de.

Saarland

In 2003, the Council of Ministers adopted the *Saarland-Agenda* compiled by the Minister for the Environment in cooperation with the Saarland working group on Agenda 21 (23 groups from within society). The main targets are evaluated by means of indicators. A sustainability council was legally established as an expert body with input from the fields of business, welfare services, environment and education.

Saxony

Saxony has been working on a strategy for sustainable development since 1 January 2006. The cabinet's adoption of this sustainability strategy is planned for the end of the first quarter of 2007.

Saxony-Anhalt

Saxony-Anhalt has for some years been debating its sustainable development with various civil-society stakeholders on select topics. A draft proposal for a sustainability strategy for Saxony-Anhalt is currently being developed, to be presented in 2007. One component of this proposal will be an action plan for the UN Decade of Education for Sustainable Development.

Schleswig-Holstein

The *Zukunftsfähiges Schleswig-Holstein* ('Fitting Schleswig-Holstein for the future') programme was adopted by the *Land* Government on 16 December 2003 after a three-part development process involving a broad range of civil-society stakeholders. Departmental reports on the results of the implementation phase in 12 areas is planned for 2009.

Thuringia

In February 2000, the Thuringian Government adopted the ten Guidelines for Implementing Agenda 21 in Thuringia. Building upon this, the *Nachhaltigkeitsabkommen Thüringen* (Sustainability Agreement for Thuringia) was concluded between the Government and the chambers

and trade unions of the business world (March 2004); in September 2005, the Thuringian Parliament made a decision on the UN Decade of Education for Sustainable Development; in January 2007, the Thuringian Parliament was the first in Germany to come out in favour of supporting the Global Marshall Plan.