

# Germany Case Study

## Analysis of National Strategies for Sustainable Development

This document is one of 19 country case studies that form the knowledge base for a synthesis report entitled “National Strategies for Sustainable Development: Challenges, Approaches, and Innovations Based on a 19-country Analysis.” The synthesis report and country case studies are available electronically at:

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### Notice to Reader

Information in the country case studies was obtained primarily from publicly available sources (e.g., Internet and literature sources) and, where possible, was supplemented through interviews with government officials. The information was up-to-date as of May 2004. Every effort was made to ensure that official national sustainable development focal point contacts had the opportunity to provide feedback on the research, but such contacts were not successful in all cases. **This case study is in an unedited, working paper format.**

These case studies are made publicly available to add to the national sustainable development strategy knowledge base. The project’s research partners accept responsibility for any inaccuracies or omissions. The views expressed in this working paper do not necessarily represent the views of the funding partners.

The research partners welcome your comments on this country case study. Please e-mail comments to Darren Swanson at [dswanson@iisd.ca](mailto:dswanson@iisd.ca).

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## 1 Introduction

The Federal Republic of Germany is located in Central Europe, bordering Poland and the Czech Republic to the east, Switzerland and Austria to the south, the Netherlands, Belgium, Luxembourg and France to the west and Denmark, the North and the Baltic Sea to the north. Germany is Western Europe's most populated country (in total 82 Mio. inhabitants) with a average population density of 228 inhabitants per square kilometer. Some 53 percent of the total territory are used for agriculture and some 29 for forestry. The dominant trend in land use over the last years is, however, a decrease of these areas and an increase of areas for settlement and transport. After the end of the Cold War and the reunification of Germany in 1990, the country's neighborhood remains peaceful.

### *Economy*

Germany is one of the worlds leading economies. The GDP accounts for US-\$ 2,16 trillion (power purchasing parity, 2002 est.) and GDP per capita is US-\$ 26,200 (PPP, 20002 est.). Its affluent and technologically powerful industry is strongly integrated into the world market, with a high share of wealth being generated through exports. Car manufacturing, chemicals, electronic products and mechanical engineering are most important in this context. GDP composition by sector is as follows: Agriculture (1%), industry (31%) and services (68%). The country's economy turned in a weak performance throughout the 1990s. Growth in average fell short of 1% in 2002 and 2003, which is mainly due to the heavy financial burden of reunification, external shocks and lower demand. Structural rigidities in labour market, fiscal and social policies have lead to rising unemployment (9,8%, 2002 est.), high social security outlays and increased budget deficits. Reforming fiscal and social policies is therefore the top issue on the political agenda (CIA World Fact Book 2003, OECD 2003, Jänicke et al. 2001).

### *Society*

Germany is a constitutional federal democracy. Its administrative structures consists of three levels, that possess constitutional autonomy: federal, *Länder* (State) and local. The parliamentary system embodies a strong position of the Federal Chancellor, the head of government, who is elected by the Parliament. The Parliament (*Bundestag*) is elected every four years by proportional vote. Currently, the governing coalition is formed by the Social Democrats Party and the Green Party. The Geens, the junior partner, bring in a strong comittment to SD and Environmental Policies.

Legislative compentencies are divided between federal authorities and the *Länder*, but lie de facto primarily with the federal government. The *Länder* and local authorities are responsible for implementation, in most cases under their own responsibility, and are represented at the federal level in the Federal Council (*Bundesrat*), which has to comment on every bill and may have the right to veto it, depending on the matter of issue. The political system is therefore characterised by a polycentric administrative structure and the

strong need for political co-operation and policy co-ordination. As a result, the system also specially vulnerable to political stalemate, if a majority of the *Länder* is governed by opposition parties. This is currently the case with the Christian-Democrats.

The official language is German. The country is ranked 18<sup>th</sup> in the Human Development Index, with a value of 0,921(UNDP 2003). Life expectancy accounts for 78,42 years (2003 est.). Crime rates are low (CIA World Fact Book 2003).

### *Environment*

The country covers a total surface area of 357,021 sq. km. It is characterized by lowlands in the north, uplands in center and the Bavarian Alps in the south. The climate is temperate and marine, with cool, cloudy and wet winters and summers. Natural resources include iron ore, coal, potash, timber, lignite, uranium, copper, natural gas, salt, nickel and arable land (CIA World Fact Book 2003). The country is ranked 50<sup>th</sup> in the ESI-Index. The country's biodiversity is not very rich. Efforts to reconcile economic growth and environmental objectives have been partially successful, as the de-coupling of growth from the emissions of several major pollutants indicates.

Since the early 1970s, the country has been one of the frontrunners in a number of areas of environmental protection, such as regulating emissions from large combustion plants or introducing car emission standards, later on also in climate protection and waste management. Emissions of all Greenhouse Gas Emissions have been reduced by 18,3% between 1990 and 2001, which is close to the Kyoto-commitment of 21% by 2010. But the overall pressure on the environment remains high as a result of the population density, level of industrialisation, traffic volumes and strong dependence on fossil fuels. Economic performance and living standards involve high consumption of energy and raw materials. Waste treatment and disposal, groundwater protection and the conservation of biological diversity remain serious problems. Recent major flooding and hurricanes have evoked a debate about the economic costs of Global Environmental Change.

### *Note on sources*

This study is mainly based on the analysis of governmental documents. Additionally, external assessment studies were used.

<b>Indicator</b>	<b>Value</b>
Human Development Index (and ranking)	0,921 (18 <sup>th</sup> )
Environmental Sustainability Index	50 <sup>th</sup>
GHG Emissionsn (2002 est.)	959,37 mio. t (1990-2001: - 18,3% )
GDP and GDP per capita (2002 est.)	US-\$ 2,16 trillion resp. US-\$ 26,200

## **2 Content of the National Sustainable Development Strategy**

As early as in the beginning of the 1970s, the then social-liberal government undertook efforts to incorporate strategic environmental planning and measures for policy integra-

tion. But these efforts lost much of its impetus in the wake of the second oil crisis and gave way to a medium-term-oriented command-and-control approach. Against this background, the Brundlandt-Report and the subsequent international rise of the concept of Sustainable Development gained much less attraction in Germany than in other OECD-countries (Lafferty and Meadowcraft 2002). The UNCED-Conference in Rio de Janeiro in 1992 stimulated only some minor domestic change, i.e. the creation of a rather weak national committee on Sustainable Development.

The process of forming a Sustainable Development Strategy begun slowly in the middle of the 1990s with the input of two parliamentary study commissions, the work of NGOs and with civil discussion groups, chaired by the Ministry for the Environment. However, the resulting strategy proposal was never formally adopted. In the 1998 election, the governing coalition of Christian-Democrats and Liberals was voted out of power. The adoption of a Sustainable Development Strategy was anchored in the coalition treaty of the new coalition of Social-Democrats and Greens, but it took them until April 2002 to finalise it (see chapter 3.1). The cabinet approved the Strategy, titled “Prospects for Germany. Our Strategy for Sustainable Development” on April 17<sup>th</sup>, 2002 (Federal Government 2002). It was written under the auspices of the federal chancellors office and was the country’s contribution to the World Summit on Sustainable Development. So far, no WSSD Implementation Plan has been drafted.

### *Strategy Content*

The German Strategy is a comprehensive, multi-dimensional Sustainable Development Strategy. It declares Sustainable Development to be a key tenet of policy action and a roof for governmental action. It is structured around long-term objectives (part I), a set of 21 key indicators (part II) and seven priority areas, the areas for action (part III).

Four “co-ordinates” of Sustainable Development are described in the first part, which are the central domains of the strategy’s SD concept: fairness to different generations, quality of life, social cohesion and international responsibility. This is completed by ten management rules, which are led by the guiding rule, that each generation must solve its own problems by itself and should not burden future generations with them. The Strategy shall serve as a guideline for all political action.

The second part proposes 21 indicators, most of which are quantified and time bound, pending from 2010 to 2020. These serve as a benchmark for compliance with the management rules. Most indicators are objectives, but the degree of achievement is also used for indicating the progress towards Sustainable Development. The indicators cover the whole spectrum of economic, ecologic and social policies, i.e. fiscal, economic, education, research, housing, spatial planning, crime prevention, energy and environment. Increasing energy and resource efficiency is one of most important objectives. By 2020 energy and resource productivity shall be doubled. The share of renewable energies in the energy supply shall be doubled by the year 2010. Under this aim, the share in primary energy consumption shall rise from 2.1% per year in 2000 to 4.2% per year in 2010 and the share in gross electricity consumption from 6.3% in 2000 to 12.5% in 2010. Land use

shall be reduced from its present level of 117 hectares per day to 30 hectares per day in 2020. Other objectives refer to social issues, such as making full-time child care facilities available for 30 percent of children (currently 3 percent). But the objectives of fiscal consolidation, of promotion of GDP-growth and of increasing expenditures on research and development clearly are the political heavyweights of the strategy (see Box 1).

***Box 1: 21 Indicators for the 21th Century – the German National Sustainability Strategy***

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|-----|---|
| 1.  | Productivity of energy and raw materials  |
| 2.  | Emissions of the 6 greenhouse gases specified in the Kyoto Agreement            |
| 3.  | The proportion of renewable energy sources in overall energy consumption        |
| 4.  | Increase in land use for housing and transport                                  |
| 5.  | Development of the stocks of specified animal species                           |
| 6.  | Balance of public sector financing  |
| 7.  | Capital-outlay ratio  |
| 8.  | Private- and public-sector expenditure on research and development              |
| 9.  | Educational outcomes for 25-year-olds and number of new students                |
| 10. | Gross domestic product  |
| 11. | Transport intensity and share of the railways in providing goods transport      |
| 12. | Proportion of ecological agriculture and general statement on nitrogen sur-plus |
| 13. | Air pollution   |
| 14. | Satisfaction with health  |
| 15. | Number of burglaries  |
| 16. | Labour force participation rate   |
| 17. | Full-time care facilities   |
| 18. | Relationship between male and female gross annual earnings                      |
| 19. | Number of foreign school-leavers who have not completed secondary school        |
| 20. | Expenditure on development collaboration  |
| 21. | EU imports from developing countries  |

Source: Federal Government, 2002, see <http://www.dialog-nachhaltigkeit.de>

In the last part, seven priority themes are described in greater detail. The strategy focuses in particular on three of these eight themes: a) climate protection and energy policy, b) environmental friendly mobility and c) agriculture, environment and nutrition. So-called pilot projects shall clarify the potentials of Sustainable Development. Pilot projects include for example the promotion of fuel cells, the promotion of model regions, that reconcile agriculture, consumer and environmental protection, or the promotion of sustainable regional traffic concepts. An extra chapter is dedicated to global responsibility, highlighting fighting poverty and promotion of development and fair trade, but also sustainable resource use and improvement of foreign aid as the main challenges.

*Coordination and Linkages with Other Strategies or Planning Processes*

The strategy states that in a long-term perspective, general conflicts between economic and ecological objectives will diminish, if the effects of different policies are considered in an integrated way and are subject to an overall policy co-ordination framework. Action is, however, mainly related to the government's current efforts to stabilise the budget and the reform agenda for the social security and health care systems. The strategy also con-

siders relevant strategies and programmes in the area of environmental protection, such as the national climate program or the promotion schemes for renewable energies. But these programmes have been developed and introduced before the strategy was approved. The strategy was added as the roof for action later on. But latest experiences indicate, that the ministries struggle to pay attention to all strategy objectives when drafting budgets or policy initiatives. For example, there has been some kind of environmental policy integration in the field of transport policy, but overall, current initiatives do not reflect necessary policy shifts. So far, no real efforts have been undertaken to institutionalise approaches such as Green Budgeting or Sustainability Impact Assessment of governmental spendings.

### *Integration of Sustainable Development Principles*

The German Strategy is a broad, multi-pillar strategy, that considers the economic, social and environmental pillar of Sustainable Development and pays explicit reference to the goal of intergenerational equity. However, the strategy does not follow the three pillar-approach, that is often a source of conflict and misunderstandings, but tries to define the integration challenge in terms of the above mentioned four co-ordinates for policy action. They shall direct the attention to the overall attributes of Sustainable Development, namely fairness to different generations, quality of life, social cohesion and international responsibility. Then, the strategy discusses in subsequent chapters, what measures shall be taken into account for reaching this broad qualitative objectives.

## **3 Institutional and Procedural Aspects of the National Sustainable Development Strategy**

### **3.1 *Development and Institutional Setting and Process***

The new governing coalition of Social Democrats and Greens anchored the establishment of a Sustainable Development Strategy in their coalition agreement in October 1998 with regard to the requirements of the Agenda 21. The following process of strategy formulation paid no reference to the experiences gained in the former legislative period, but also not to the experiences gained with strategic environmental planning in the 1970. It took the process quite a while to kick off: As recently as July 2000, the government established two new organisations to get the NSDS-process on the right track: a.) the *Secretary of State Committee for Sustainable Development*, the so-called *Green Cabinet*, and b.) the *German Council of Sustainable Development (RNE)*. The responsibility of the Green Cabinet was to prepare the Strategy in co-operation with the RNE and other societal groups and then to co-ordinate the process of implementation (see box 2). The RNE is set up as an independent, pluralistic advisory body (see for more details box 3).

#### ***Box 2: The Secretary of State Committee for Sustainable Development***

<p>The <i>Secretary of State Committee for Sustainable Development</i>, the so-called <i>Green Cabinet</i>, consists of nine state-secretaries from the following departments: foreign affairs; finance; social and health policy; education and research; consumer protection and agriculture; environment;</p>
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transport; economic affairs and labour and least economic co-operation and development. The Green Cabinet is chaired by the head of the federal chancellors office, a minister of state, which underlines the importance of this institutional body within the federal government. It is supported by a committee of heads of Under-Directorates from the relevant departments, that prepare the meetings of the Green Cabinet. The Cabinet meets regularly. At present, the Cabinet shall coordinate all departmental policy initiatives regarding sustainability issues and works on sector-spanning political strategies for Sustainable Development. It is also responsible for bringing forward new proposals for implementation projects. Despite the less available informations on its functioning, the Green Cabinet seems to allow for an better representation of “weak” issues such as environmental or development issues in day-today-politics. The fact, that it is an institution supported by the Federal Chancellors Office, gives it an increased political standing and better possibilities for the vertical integration of Sustainable Development concern in departmental policies. Clearly, a horizontal integration approach under the auspices of the Environmental Ministry would not have the same leverage.

*Source: compiled by the author; see: [www.bundesregierung.de](http://www.bundesregierung.de)*

In December 2001, the Green Cabinet presented a first draft of the Strategy for public consultation (see next section). After being reviewed, the final strategy proposal was presented and adopted the Strategy by cabinet decision on April 17<sup>th</sup>, 2004. It was also topic of a plenary debate in the German Parliament, that however, did not attract too much coverage in the media.

The process of strategy formulation was strongly dominated by the executive. The Federal Chancellors office, that initiated the process, is formally in charge of the strategy process. It plays a dominant role in the Green Cabinet, not only by chairing it, but also by having the last say in conflicts. Besides that, the Ministry for the Environment, that is formally responsible for the elaboration of environmental indicators, has also played an important role. The German Strategy thus is well based institutionally within the federal executive, whereas its position and meaning in the legislative arm of the political system is quite unclear. Contribution by parliament members were of minor importance in the process. Within the parliament, the Strategy is often reduced to be responsibility of the environmental committee. The strategy has no formal binding character and there is no formal legal basis. Its formulation was postponed for a long time and was finished under severe time pressure, when the WSSD appeared on the time horizon (SRU 2002).

### **3.2 Participation and Integration in the Planning Process**

As it has been described in chapter 3.1., the German Council on Sustainable Development (RNE) is supposed to be the key actor for promoting the Strategy. The RNE is an independent, pluralistic advisory body on policies of Sustainable Development, that took up its work in April 2001. Originally installed to accompany the formulation of the Sustainable Development Strategy, it is by now also involved in its the implementation, inter alia by drafting expert opinions (see Box 3).

#### ***Box 3: The German Council of Sustainable Development (RNE)***

The establishment of the RNE has been promoted by the Federal Chancellor. Its seventeen members are prominent persons from various sectors of society representing specific ecological, economic, and social interests. The RNE is staffed with an office in Berlin. Its primary function is to

advise the government on the formulation and implementation of the NSD. This regards especially the elaboration and evaluation of long-term objectives and indicators and the proposition of specific projects to realise the objectives of the NSDS. The Council shall also assume a central role in public debates on SD in order to raise public awareness and to foster a social dialogue on SD. So far, the RNE has recommended five approaches for project implementation: a) old building renewal on a low standard of energy, b) energy efficiency contracting regarding the real estate of the German Federal State, c) knowledge transfer concerning sustainable land use to developing countries, d) public campaigning on sustainable consumption and e) intelligent traffic services for sustainable mobility. It has organised several conferences and has also started a competition named "Focus on Tomorrow", which aims at improving public awareness among young people. Last not least, it has commissioned studies to analyse the sustainability of different industrial branches such as the telecommunication sector. Above all, it therefore it has functioned as a provider of arenas and impulses for discussions.

*Source: compiled by the author, see <http://www.nachhaltigkeitsrat.de>*

During the drafting of the strategy, consultations of representatives from the Länder, associations of local authorities, industry associations and trade unions, NGOs and churches took place. The strategy proposal was also widely commented by the RNE, but also by other advisory bodies and was also subject to an internet consultation. This consultation led to a high number of statements by NGOs, interest organisations and the broad public and included various internet chats with high governmental officials. An own website ([www.dialog-nachhaltigkeit.de](http://www.dialog-nachhaltigkeit.de)) was constructed for this purpose.

However, the practical experiences with the consultations are mixed so far. Whereas the federal government says that it brought along valuable comments and simplified the communication of the Strategy, critics from NGOs point to the fact, that the time for consultation was short and that there has been no real dialogue with civil society. Another major problem is the low public awareness concerning the concept of Sustainable Development and specially the National Sustainable Development Strategy. Only recently, polls indicate a growing awareness. By now, 28 percent have already heard of the term Sustainable Development (UBA, 2002). This is above all due to insufficient media coverage: The Strategy seems to be an unattractive theme for the media. Even the plenary debate in the German Parliament did not find much attention.

The preparation of the Strategy took place in a rather closed procedure within the federal executive. Text proposals were delivered by the departments according to their responsibilities and were compiled by the Federal Chancellors Office. Scientific input has been kept on a low level: the government did not commission a study that kicked off a public discourse on the outlines of a policy for SD. Also, the main target groups were not confronted with the pollution they cause and the resulting long-term responsibility. Final negotiations about the outline comprised mainly the different ministries under the auspices of the Federal Chancellors Office. At large, negotiations followed a step-by-step-procedure of "negative co-ordination", that means that negotiations were only effective in issue areas where sectoral interests are not strongly affected. Participation and inputs of parliamentary factions has been low. This is not so much a result of the unwillingness, but more a result of the fact, that the process was started too late.

### 3.3 *Monitoring aspects*

As it has been said, the strategy is build around 21 indicators, which are quantified and have timeframes. The strategy commits the government to deliver a progress report every two years. The Green Cabinet is officially in charge for monitoring and reporting, but the reporting depends upon the contributions of the single departments. The first progress report is foreseen for autumn 2004 and is currently compiled, following a detailed procedure of public consultation. Detailed comments are not possible, but other issues of importance, namely biodiversity, will be incorporated in the strategy (see box 4).

Given the possibility to fail in meeting objectives, there are no concrete compliance mechanisms in place. It is not a common praxis to undertake impact assessments or policy appraisals of planned policies as compared to other OECD-countries. There exists a duty to screen possible impacts of bills, but this regulation is rather sloppy handled. But the use of Strategic Environmental Impact Assessment will be boosted by the fact that Germany has to implement the EU Directive on Strategic Environmental Impact Assessment, which makes the instrument obligatory in all EU-Member states.

It is too early to make a profound assessment, whether or not the NSDS has kicked off a learning process towards more sustainable policy making. As the NSDS was released in April 2002, it is even not possible to evaluate the quality of the monitoring system, as no progress report has been presented so far. It is an open question, whether the broad approach will yield productive spill-over effects and policy learning between the different policy sectors or whether it will spawn hyper-complexity, that cannot be managed.

#### ***Box 4: Compilation of the progress report of the NSD***

Every two years, a progress report has to be delivered by the Federal Government. The report shall describe for all thematic areas of the NSDS the progress made and the need for action. At the same time, the report is intended to further develop the strategy and to highlight new areas of action for implementing the strategies objectives. In January 2004, the Green Cabinet has drafted a background paper, that lists the following four themes as areas of action for the ongoing legislative period: a) Potentials of elderly people and the implications of demographic change, b) Restructuring of the Energy Supply System, c) Alternative Fuels and d) Reduction of Land Use and Urban Sprawl. There is a detailed timetable for the drafting of the report:

January - February 2004	first dialogue phase on the basis of a draft paper by the Green Cabinet, wide public consultation via the Internet
End of March 2004	presentation of a first draft report
April - June 2004	second dialogue phase, wide public consultation via the Internet
July – August 2004	review of the draft report and finalisation of the progress report
September 2004	adoption of the report by the Federal Cabinet

*Source: Federal Government 2004*

### 3.4 *Implementation of the strategy and related specific initiatives*

As the strategy touches upon nearly every aspect of public policy, all ministries are subject to implementation requirements. The implementation process is supervised on the side of the executive by the Green Cabinet, which practically means, that the Federal Chancellors Office is in charge. There is no defined responsibility on the side of the legislative, but in practice, the Parliamentary Committee for the Environment plays a crucial role. There is no external agency or another organisation in charge of monitoring the process. Partly, the RNE fulfils this function. Except for the funding of the activities of the RNE, there is no special funding.

From an outside perspective, the implementation process seems to lack a dynamic momentum, but also co-ordination, which might be due to lacking staff in the Federal Chancellors Office. The delays, which have been a characteristic moment of the preparation process, do continue. The slow implementation and the obvious low political standing of the strategy has evoked criticism mainly from environmental NGO.

So far, the implementation process has concentrated on the realisation of pilot projects, with a main focus on projects in the area of Climate Change and Energy Policy. The overall impacts of the NSDS on the practical government work have been modest. This is partially due to the fact, that the strategy's content is in many aspects equal to the current government policy and thus does not require substantial changes.

Against this background, the ambitious objective on reducing land use stands out of the other objectives as it implies fundamental changes in current transportation and housing policies. The objective has given the Environmental Ministry stronger bargaining power in the conflicts over large infrastructure projects or the promotion of environmental friendly public transport. However, no action plan with concrete measures has been considered so far.

#### ***Box 5 Dialogue on land-use***

The envisaged reduction of the rate of new land use by ca. 75 percent from 130 ha/day in 2002 to 30 ha/day in 2020 is one of the few and very ambitious objectives of the strategy. The Environmental Ministry counts this objectives as one of the great advantages of the NSDS, as it has established this important, but difficult issue on the political agenda. The NSDS forces the Transport Ministry, which is formally responsible, to deal with this issue, which it had regretted so far. This points up the usefulness of vertical integration efforts. However, besides the effect of agenda-setting, the NSDS has had no visible impact so far. The first draft of the Federal Governments plan for long-term investments in the transport sector entailed several major projects, that were quite dodgy, both from an economic and ecological perspective. After sharp critics, the plan was reviewed, but the overall orientation was kept. Meanwhile, the RNE has started a series of dialogue events concerning a efficient strategy on the reduction of land-use, which brings together relevant actors from all sides.

*Source: Own Compilation*

However, this "poor" implementation record does not mean that there are no governmental efforts for furthering the case of SD. Indeed, there are quite a lot of efforts, but they have other origins than the National Sustainable Development Strategy.

Most obvious, the current government has strengthened its position as a international front-runner and pioneering country in the area of promoting renewable energies and climate protection. This has been confirmed recently by the World Watch Institute (WWI 2003). The current government has implemented an Ecological Tax Reform and has initiated the phasing-out of nuclear power. Renewable energies are strongly supported; especially, the installation of wind power plants shows strong annual increases over the last years. The German Government is also eager to promote the international diffusion of renewable energies. Recently, it has hosted the international conference "renewables 2004" and has donated 1.5 billion euro for the international support of renewable energies.

Worth noting is the national Climate Action program, that lists 64 concrete measures for climate protection and requires all ministries to achieve individual reduction targets. It therefore fulfils many requirements of a cross-sectoral program. It is administrated by the Federal Environmental Ministry.

The introduction of the European Emissions Trading Scheme, following the requirements of the Kyoto-Protocol, is expected to further boost the efforts for Climate Protection. Climate Protection is also one of the functioning issue areas of economic Sustainable Development: German renewable technologies are highly competitive on the world markets. Their export has resulted in a strong increase in employment in the environmental sector (about 140.000) and excellent positions of German enterprises on the world markets. In general, employment in the environment sector has risen up to 1.4 Mio., which by now is larger than the rate of employment in the car manufacturing sector (UBA 2002).

Given the international pioneering situation, some important measures are described in greater detail in Tab. 1.

**Tab. 1: Specific Initiatives in the Field of Climate Protection**

Initiative	Outline
Ecological Tax Reform	The Act on the Introduction of the Ecological Tax Reform (1999) increased the price of energy from April 1th, 1999. The mineral oil tax was raised by 3.07 ct/liter on motor fuel, 2.05 ct/liter on light heating oil and 0.164 ct/kilowatt-hour on natural gas. Additionally, an electricity tax of 1,02 ct/kilowatt-hour was introduced. At the same time, the pension contributions were cut by 0.8 percent, the reduction being equally split between employers and employees. The Act on the Continuation of the Ecological Tax Reform (2000) regulates the gradually increasing taxation in four further stages from 2000 to 2003. The revenues from the reform will be almost fully returned (over 90%) to the taxpayers. The revenue is expected to amount for 18.8 billion in 2003.
Phasing out of Nuclear Power	With the Act on the "structured phase-out of the utilisation of nuclear energy for the commercial generation of electricity" (April 2002), the use of nuclear power is phased. The Act contains a ban on the construc-

	tion of new nuclear power plants, the restriction of the so-called residual operating life to 32 years as of the commissioning of the plant, but with possibilities to transferring electricity volumes to newer plants; legal stipulations for regular safety reviews and the tenfold increase of the financial security required for each plant to cover possible damages to 2.5 billion euros.
National Climate Protection Program	The program, adopted at the end of 2000, enlist a broad list of 64 concrete measures to increase the reduction of greenhouse gas emissions. Inter alia, these pertain to the expansion of combined heat and power, energy savings in buildings, promotion of renewable energies, energy saving measures in private households, transport sector, industry, energy industry, waste management and agriculture. The program is monitored by an inter-ministerial working group. Ministries have to fulfil single reduction targets.
Promoting Renewable Energies	The Renewable Energy Sources Act obliges electricity grid operators to give priority to the purchase of electricity from solar energy, hydro-power, wind power, geothermal power and biomass, and to pay a specified price for it. The level of compensation is based on the production costs. This has resulted in a boom in the construction of new installations. A further measure is the 100,000 roofs solar energy programme, that aims to install 300 megawatts of new solar capacity by the end of 2003. In Germany there are already over 4 million m <sup>2</sup> of solar collectors installed.

*Source: Federal Ministry for the Environment, various internet sources*

The Federal Environmental Ministry is one of the key actors in this field of action. It has successfully conquered a stronger bargaining position in federal government than it had years before, especially with regard to the conflict relationship with the Ministry of Economic Affairs. But it was also the input of several parliamentarians, that pushed for the ambitious standards of climate protection. However, climate protection is not an overall success story. Cut-Backs in subsidies for coal-mining have been watered down. Also, a stronger support of co-generation has been successfully blocked by the energy industry.

In other areas of SD, the performance is good till average. The government has started to change national agriculture policy, following the political earthquake of the BSE-crisis, that lead to the demission of two ministers. The Ministry for Agriculture was redesigned to a Ministry of Consumer Protection. There is a new vision of giving support to ecological farming and establishing higher standards for consumer and animal protection. However, the national discretion for change is low under the legal framework of the European Common Agricultural Policy. Also, the reform attempts came under massive fire by lobbying groups of peasants and industry, when the public attention had faded away. Recent attempts by the government try to couple direct payments of the European Union with ecological standards and to shift resources to ecological farming.

Concerning transport policy, the government started with great expectations. Initiatives such as the Ecological Tax Reform did indeed contribute to the success of reducing CO<sub>2</sub>-

emissions from traffic. But strategies and initiatives for a general re-orientation are missing. Government and business did even fail to introduce a maut for heavy vehicles.

The government committed itself to the programmatic vision of Ecological Modernisation, with a strong impetus on fostering innovation-oriented policies. But recently, especially due to the economic problems, this policy has lost momentum. Budget consolidation, cut-backs in social security and health care systems and structural reforms of the labour market are the keywords of the debate. This has had made the concept of Sustainable Development unattractive. Ecological aspects have been neglected for a long time in the endeavours for a broad reform of the fiscal system. Only recently, moderate cut-backs in the commuters tax allowance or the subsidies for settlement have been implemented. This decision was taken due to the fact, that other measures for re-financing the reform had been blocked by the opposition parties in the Federal Council. Such policy failures are, however, not so much a solely failure of government. Far-reaching reforms are all but easy to implement in Germany due to the possibilities for reform blockade by the opposition.

Generally, there are weaknesses with regard to strategic, inter-departmental approaches. Germany has not delivered a national biodiversity strategy yet, as it is demanded by the Convention on Biodiversity. There have been no efforts to formally institutionalise a process of departmental sectoral strategies for SD, as it has been launched in many other European Countries and on the European Level. Germany is also a latecomer in participatory approaches. Regulations concerning access to rights for information and participation in planning processes have either been delayed or cut back. Also, the use of Strategic Impact Assessments is not widely common, which is also the case for approaches of Green Budgeting (Jacob and Volkery, 2003). There have been a number of voluntary approaches, especially with regard to voluntary agreements of industry concerning Climate Protection, but they have been subject to greater criticism as being ineffective and not very ambitious.

### 3.5 Country summary of national SD strategy

Criteria/Aspects	Outline
- Character of the Strategy	- Sustainable Development Strategy, multi-dimension, cross-sectoral.
- Content	- 21 objectives and indicators for nearly all areas of governmental policies and priority areas for action, most of the objectives are quantified, but mainly reflect current governmental policy
- Main Institutions	- Green Cabinet of State Secretaries is in charge, headed by Federal Chancellors Office and supported by Cabinet of Heads of Under-directorates
	- National Council for Sustainable Development, consisting of 17 prominent members from different sectors of society
- Formal legal basis	- Federal Cabinet Decision, no formal legal basis
- State of the process	- Active, currently under revision, actual low political standing
- Decision Mechanisms	
- Communication Mechanisms	- Green Cabinet, strong influence of the executive, low influence of parliament

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<ul style="list-style-type: none"> <li>- negotiation mechanisms</li> <li>- external support</li> </ul>	<ul style="list-style-type: none"> <li>- no general information strategy, Council of Sustainable Development is in - charge for communication and public dialogue, mainly via conferences.</li> <li>- no information available so far</li> <li>- no</li> </ul>
<ul style="list-style-type: none"> <li>- co-ordination of inter-governmental negotiations and decision-making</li> </ul>	<ul style="list-style-type: none"> <li>- Green Cabinet, strong role of the federal chancellors office, informal strong role of the Environmental Ministry</li> </ul>
<ul style="list-style-type: none"> <li>- Role and Integration of Non-Governmental Actors in the Policy Process</li> </ul>	<ul style="list-style-type: none"> <li>- Broad consultation of the Länder (states), representatives from the local level, business and trade unions, NGOs, also broad public participation via the Internet.</li> </ul>
<ul style="list-style-type: none"> <li>- Monitoring and Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- Every two years the government delivers a progress report on the 21 indicators of the strategy. The first report will be released in autumn 2004</li> </ul>
<ul style="list-style-type: none"> <li>- Responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>- no external, independent monitoring, single departments reports and are co-ordinated by the federal chancellors office. low influence of the Parliament.</li> </ul>
<ul style="list-style-type: none"> <li>- Regulation of Strategic Environmental Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- No regulation so far, but to be expected soon due to European Regulation</li> </ul>
<ul style="list-style-type: none"> <li>- Processes for learning and adaption</li> </ul>	<ul style="list-style-type: none"> <li>- Hard to evaluate due to the short period so far. NSDS seems to trigger a process of learning in the area of land-use</li> </ul>
<p><i>Implementation: overall aspects</i></p>	
<ul style="list-style-type: none"> <li>- Institutionalisation and Co-ordination, Responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>- All Ministries, co-ordination and supervision by Green Cabinet under the auspices of the Federal Chancellors Office</li> </ul>
<ul style="list-style-type: none"> <li>- Establishment of new Institutions, Status</li> </ul>	<ul style="list-style-type: none"> <li>- No new institutions with regard to the implementation of NSDS, Council of Sustainable Developments administrates and monitors Pilot Projects in special action areas of the NSDS</li> </ul>
<ul style="list-style-type: none"> <li>- Capacity (Personal and Financial Resources)</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient, Capacity Overload within the Federal Chancellors Office, no special financing of the Strategy except the funding for the RNE</li> </ul>
<ul style="list-style-type: none"> <li>- Role of Parliament/Government</li> </ul>	<ul style="list-style-type: none"> <li>- Executive dominates the process of implementation, low influence and role of parliament</li> </ul>
<p><i>Specific Initiatives</i></p>	
<ul style="list-style-type: none"> <li>- Departmental SD Strategies</li> </ul>	<ul style="list-style-type: none"> <li>- No explicit Strategies</li> </ul>
<ul style="list-style-type: none"> <li>- Cross-sectoral strategies</li> </ul>	<ul style="list-style-type: none"> <li>- National Climate Action Program</li> </ul>
<ul style="list-style-type: none"> <li>- Strategic Impact Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- No</li> </ul>
<ul style="list-style-type: none"> <li>- Tax Reform</li> </ul>	<ul style="list-style-type: none"> <li>- Yes</li> </ul>
<ul style="list-style-type: none"> <li>- Green Budgeting</li> </ul>	<ul style="list-style-type: none"> <li>- No, but extended responsibilities of the Ministry of Economic Affairs to report on ecological concerns</li> </ul>

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