



Bonn, 4 June 2020

## **Sustainable development policy in crisis mode** Statement by SDSN Germany

While the Covid-19 pandemic continues to hold societies, economies and political leaders in its thrall, sustainable development policy risks grinding to a halt. Now, five years since the [2030 Agenda for Sustainable Development](#) and its 17 Sustainable Development Goals (SDGs) were adopted and the [Paris Climate Agreement](#) was signed, sustainable development policy faces two challenges simultaneously: Needing to prove its relevance in helping to shape the response to the crisis while also ensuring its own future viability during precisely this crisis.

Governments and international organisations across the world are mounting a huge effort mobilising vast financial resources to tackle the crisis triggered by the Covid-19 pandemic. At the same time, fundamental processes underpinning sustainable development policy are being postponed, restricted, or put at risk. The international conferences planned for 2020 – on climate change (COP26 in Glasgow) and biodiversity (COP15 in Beijing) – have been delayed. By contrast, the 2020 High-Level Political Forum on Sustainable Development (HLPF), with its many side events, is going ahead, albeit with restrictions. It will be held virtually while being dominated by efforts to solve the crisis. The proposals agreed on regarding the reform of the “HLPF Review”, which had already been delayed by the Covid-19 pandemic, risk being pushed back even further. Within the EU, the [European Green Deal](#) is struggling for attention amongst the debates over how to respond to the crisis. Efforts to update Germany’s National Sustainable Development Strategy have been postponed to 2021. Simultaneously, restrictions on contact and other social distancing measures are limiting the ability of civil-society sustainability movements such as “Fridays for Future” and many others to shape political decisions.

### **The structural advancement of Germany’s Sustainable Development Strategy is now even more urgent due to the crisis**

The Covid-19 pandemic is affecting sustainable development and SDG processes that were struggling for political attention and their weaknesses even before and irrespective of the crisis. Back in early March 2020, for instance, SDSN Germany put forward [five proposals for the structural advancement of the German Sustainable Development Strategy](#):

- *Mutual strengthening of both the German Sustainable Development Strategy and the European Green Deal*
- *Implementation by focusing on key transformations and overarching levers*
- *Using finance consistently as a transformative lever*
- *Anchoring the strategy in parliament and society, strengthening of governance*
- *Synchronising the cycles of the Sustainable Development Strategy and key political processes.*

Key actors from parliament, the private sector, civil society, and the academic and scientific community have published an impressive number of statements over the past few weeks. This indicates a more extensive opinion-forming that will resonate on a wide scale. Another common factor in these

statements<sup>1</sup> is that they bemoan the lack of political relevance and clout in the Sustainable Development Strategy, but then direct their concerns about sustainable development – mainly content-related, but also in some cases instrumental in nature – at the very same strategy. Intended primarily as an appeal to politicians to invest their political will and power in the 2030 Agenda and the Sustainable Development Strategy, the statements fail to analyse the reasons why sustainable development policy has so far had little or no success breaking through the “glass ceiling” separating it from the realm of realpolitik. Although situational assessments and analyses of this kind could and should tackle conflicts of interest and areas of institutional resistance much more head-on and thus become more “political”, they would then also have to address the structural deficits in formulating and implementing the Sustainable Development Strategy.

For instance, [the Parliamentary Advisory Council on Sustainable Development \(PBnE\)](#) cautions that, instead of being “just one of many government strategies”, the new version of the Sustainable Development Strategy must be developed as the federal government’s “overarching strategy”. At the start of each legislative period, a comprehensive assessment of the situation should be undertaken, and interim targets for each SDG should be set and approved by the Bundestag. The [Netzwerk Agenda 2030](#), an alliance of actors from civil society, the cultural sphere and the private sector, demands that sustainability be a compulsory guiding principle of economic stimulus measures and that the German National Sustainability Strategy be made into an instrument of transformation. In the **Foundation 2<sup>o</sup> business statement** for crisis management and a sustainable future, 68 major German companies call for the German economy to be made more resilient and the European Green Deal to be ambitious in its scope. In its [interim report](#), the **German government’s Sustainable Finance Committee** underlines the “significance of sustainable finance to the great transformation” and [puts forward concrete proposals](#) for making economic stimulus packages in response to Covid-19 sustainable and fit for the future. The **German Council for Sustainable Development (RNE)** recommends that “[sustainability should be the guiding principle for all steps out of the crisis](#)” and that the “crisis should be used as an opportunity for transformation”. In its [proposals for updating Germany’s National Sustainable Development Strategy](#), the Council states that “an unsparing analysis of why many targets have so far been missed is required” and urgently recommends “finally making the Sustainable Development Strategy part of government policy”. In the Council’s view, the European Green Deal establishes “a new vision for Europe’s future”, which it firmly supports, while expecting the German government to “make substantial contributions to the sustainable implementation of the Green Deal”.

In the changed circumstances brought about by the Covid-19 pandemic, this statement by SDSN Germany aims to illustrate, for six key fields of activity, how sustainability policy and its actors can help to radically overhaul the Sustainable Development Strategy through and in parallel with their commitment to overcoming the crisis. It also explains how, at a time of upheaval, the groundwork for a fundamental reboot of the strategy could be laid. The statement primarily addresses structural and procedural issues of sustainable development policy and strategy that are crucial to delivering the content of sustainable development.<sup>2</sup> In addition to German politicians, it is also intended for a wider circle of German and European sustainability actors, not least with an eye on Germany’s upcoming presidency of the EU Council.

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<sup>1</sup> As had already been done in the statements by the German Federal Audit Office ([BRH 2019](#)), the German Council for Sustainable Development ([RNE 2019](#)), the Science Platform Sustainability 2030 ([wpm2030 2019](#)) and the International Peer Reviews ([most recently in 2018](#)).

<sup>2</sup> For more on the impact of the Covid-19 pandemic on the sustainability debate and policy, cf. the [report](#) on SDSN Germany’s virtual meeting on 3 April 2020.

## **1. Persevering with the European Green Deal and placing it at the forefront of sustainable development policy and efforts to tackle the crisis**

The European Green Deal, as a government programme based around the SDGs, gives the European Commission's programme for its five-year term in office an unprecedented focus on sustainable development. At present, the Commission is gradually formulating how to implement the Green Deal in its individual areas of transformation, from the [European Climate Law](#) and a [European Industrial Strategy](#) through to the [Circular Economy Action Plan](#), the ["Farm to Fork"](#) strategy to transform the food system and the [Biodiversity Strategy](#). These and other key transformations now need to be signed off in negotiations between the member states and with the European Parliament.

- *The Green Deal cannot be allowed to fade into the background while we tackle the crisis. Instead, it needs to be developed further, expanded and made both the starting and focal point of sustainable development policy and of efforts to solve the crisis within the EU and all its member states.*
- *Germany's Europe policy should take a firm stance against attempts by individual governments and interest groups to row back on some of the Green Deal's ambitions and should form targeted alliances to this end.*
- *Actors involved in German sustainable development policy in governments and parliaments, the private sector, the scientific and academic community, and civil society should make the transformations under the Green Deal key points of reference in their work.*

The [EU's Covid-19 emergency and recovery programmes](#)<sup>3</sup> and its Multiannual Financial Framework (MFF) for 2021-2027 will determine long-term priorities and structures. The MFF 2021-2027 is both the first and last financial framework for achieving the SDGs and climate targets ("climate neutrality") in and within the EU by 2030. Whether and how this is done will thus largely depend on what form the EU's emergency and recovery packages, the MFF, and the relevant regulatory measures take. Back in 2019, the Commission announced that the SDGs would be turned into a key framework for the European Semester of socio-economic policy coordination. The Semester is now also to play a major role in implementing the EU's recovery packages associated with the MFF.

- *Germany's Europe policy should use the country's presidency of the EU Council in the second half of 2020 to focus recovery funds and the MFF squarely on the 2030 Agenda and the Green Deal.*
- *Sustainability actors in all member states should make an active contribution to the relevant consultations as part of the European Semester, which they should harness as a tool for monitoring and reviewing the extent to which the recovery is aligned with the SDGs.*

## **2. Expanding the involvement of sustainability actors in efforts to tackle the crisis – Turning Germany's National Sustainability Strategy into an instrument and expression of the crisis response**

Germany is no exception: the pandemic and the measures taken to overcome it will have a decisive impact on the general framework and opportunities for achieving the SDGs and the climate targets. Whatever ground is lost over the next six to eighteen months will be virtually impossible to make up in the rest of the "decade of action and delivery" ushered in at the 2019 SDG Summit. Germany's sustainable development architecture needs to prove its worth in the crisis and fix the existing dichotomy between long-term debates over sustainable development and short-term realpolitik.

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<sup>3</sup> For more on the structure of the EU's economic stimulus package, cf. the [report](#) on the press briefing by SDSN Germany and the Netzwerk Weitblick on "the EU's stimulus package, Covid-19, sustainable development and climate change".

- *The State Secretaries' Committee for Sustainable Development should urgently agree key elements of a sustainability-focused response to the crisis.*
- *The sustainability coordinators at the various government ministries should carry out a material and strategic review of all crisis response measures from a sustainability perspective.*
- *The Parliamentary Advisory Council on Sustainable Development (PBnE) should join forces with other committees (healthcare, welfare, economy, finance) to conduct interviews and consultations on a sustainability-focused response to the crisis.*
- *Actors involved in sustainable development should involve themselves in the crisis response at all levels of political, social, and economic action – but they should also be made an active part of the process.*

The regular review and advancement of the German National Sustainable Development Strategy, which was due to fall right in the middle of the response to the Covid-19 crisis, has been postponed by the federal government and is now due for completion until spring 2021. Although this situation presents the risk that the strategy will merely be updated on a fairly technical level, it is also an opportunity to link the country's response to the crisis with its Europe and sustainable development policy. Alignment with the transformative changes and levers in the [Global Sustainable Development Report \(GSDR 2019\)](#) would form a good basis for this. Since the response to the crisis has to be focused on sustainable development if the longer-term objectives in the Sustainable Development Strategy are to be achieved, political capital – a scarce commodity in the crisis – could and should be raised to this end. Failure would risk pushing the Sustainable Development Strategy further into the political margins as a “nice-to-have policy”.

- *The German government should turn its Sustainable Development Strategy 2021 into an instrument and expression of the crisis response in Germany and beyond.*
- *To provide a strategy in times of crisis, the new version of the strategy in 2021 should focus on the need to transform human well-being (GSDR: “Human well-being and capabilities”), finance as a transformative lever, and the international dimension of the crisis response.*
- *The Sustainable Development Strategy 2021 should illustrate what tangible measures Germany is putting in place to support the European Green Deal and implement it within its borders.*

### **3. Human well-being as a transformation task: reviewing health goals**

Across the world, as in the EU and Germany, the Covid-19 crisis has laid bare the need for a systemic transformation of “human well-being” that also has to encompass the interaction between the health of human beings, animals, and the environment within planetary boundaries (“one health”/“planetary health”). Although the 2030 Agenda, under SDG 3 (health and well-being), addresses the fight against communicable diseases (3.3), it merely calls for the capacity for early warning, risk reduction, and the management of national and global health risks to be strengthened (3.d). The Covid-19 crisis has shown that a well-trained health workforce (3.c) is one of the most important factors in containing an outbreak and maintaining a basic level of care in the health system. In its [General Programme of Work](#), the World Health Organization prioritises “universal health coverage” (UHC; 3.8), thus supporting the approach of creating accessible, needs-oriented healthcare systems for all. “Human well-being and capabilities” is one of six “entry points” for transformation according to the Global Sustainable Development Report 2019. It mentions the “one health” approach, amongst other things. In respect of SDG 3, [Germany's National Sustainability Strategy 2016](#) has hitherto merely set Germany-specific targets in the areas of “premature mortality” (under 70), smoking, obesity rates, and air pollution. Although the section on measures from 2016 mentions a handful of international activities on epidemics and pandemics, these had been discontinued by the time of the [2018 update](#). The German government is currently working on updating its 2013 global health strategy, which could be entirely

adapted to the SDGs. No standalone strategy for public health in Germany has yet been produced; neither are there plans for one. The European Green Deal, which tackles issues like planetary health, does also touch on healthcare targets in some areas. So far, however, the question of transforming “human well-being and capabilities” has remained unaddressed. Overall, coordination between the healthcare and sustainability debates on the one hand and the corresponding approaches and strategies on the other is fairly poor.

- *The German government should make “human well-being and capabilities” a priority in its Sustainable Development Strategy 2021 and, in particular, should urgently review its health-related targets and realign them with other areas requiring transformation (“one health”/“planetary health”).*
- *The government should incorporate the need to transform “human well-being and capabilities” into the European Green Deal and support the idea of the EU playing a stronger role in such efforts.*
- *The international dimension of healthcare (“global health”) must form an integral part of the Sustainable Development Strategy and the Green Deal. At the same time, however, global health strategies must also reflect the SDGs.*
- *Actors from the fields of healthcare and sustainable development should work together, e.g. as part of the Dialogue of the Advisory Councils,<sup>4</sup> to come up with proposals for advancing Germany’s National Sustainable Development Strategy, Germany’s global health policy strategy, and the European Green Deal in the healthcare sector.*
- *Human well-being should be at the heart of efforts to bring about a sustainable recovery in Europe and across the world, not least during Germany’s presidency of the EU Council.*

#### **4. Make the transformative lever of finance an integral part of the Sustainable Development Strategy now and harness sustainable finance as a key lever for crisis response**

Finance has essentially not played a systematic role as a transformative lever in Germany’s National Sustainable Development Strategy up until now, except in the targets about limiting government debt. The federal government’s Sustainable Finance Committee highlighted the significance of sustainable finance in the great transformation in early March. The idea of sustainable finance is intended to mobilise all financial market actors to support this transformation to a sustainable economic and financial system within their respective roles in that system. The Committee is also focusing particular attention on the steering function performed by the public sector, be it in terms of how it uses its own resources, invests capital, or expands infrastructure, and identifies one key approach as being to ensure that “risk hedging by the public sector and its subsidiary organisations [...] is compatible with sustainability requirements”. The experience gained during the Covid-19 crisis also serves as a rallying cry to find a better balance between efficiency and resilience in the real economy and the financial industry. The crisis is thus also shining the spotlight on the aspect of “short-termism” in capital markets, i.e. one of the ten actions in the [EU’s Action Plan for Financing Sustainable Growth](#). Promoting and distributing wealth and other ways to acquire capabilities, even during the shocking moments of a crisis, must once again become something that people can more readily take for granted in a sustainable financial system. Never has the phrase “business as usual’ is no longer good enough” been so obviously true. This should be an opportunity to tackle fundamental causes of unsustainability rather than falling back into ideological trench warfare (“sustainable development” versus “the black zero rule”).

- *The German government should make the transformative lever of finance an integral part of its Sustainable Development Strategy 2021 and continue to develop both targets and instruments in*

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<sup>4</sup> The [Dialogue of the Advisory Councils](#) sees key scientific advisory boards of the German federal government come together at the invitation of wpn2030 and SDSN Germany to discuss challenges of sustainability policy above and beyond the scope of their various policy areas.

*this area, including – and in particular – based on the recommendations of the Sustainable Finance Committee and the RNE.*

- *Finance and sustainability actors should work together to drive forward the dismantling of unsustainable subsidies and tax arrangements and accelerate the alignment of the federal budget with the goals of the Sustainable Development Strategy.*

In Germany, the EU and across the world, financial resources on a hitherto unimaginable scale are currently being mobilised via federal budgets and central banks to combat the economic impact of the pandemic. The heads of European and international financial and economic institutions (IMF, World Bank, OECD, EU) as well as numerous governments – Germany included – have declared their intention to use these funds in line with the SDGs and the climate targets. The fear is, however, that these intentions will barely be discernible when the actual details are discussed. The current programmes launched in response to the crisis thus risk help to lock in existing, unsustainable production and consumption patterns, being dominated by ingrained individual interests, and neglecting newer, innovative actors of transformation.

- *The Sustainable Development Strategy should help align economic stimulus packages (as demanded by the Sustainable Finance Committee) with targets such as the SDGs, the Paris Climate Agreement, and the EU's ambition to be climate-neutral by 2050.*
- *In addition to focusing grants and tax relief on sustainable development, a regulatory framework must be established and (pricing) signals sent out (e.g. a faster rise in the CO<sub>2</sub> price, expanding emissions trading, discontinuing anti-sustainable subsidies).*

## **5. Strengthen municipal and regional governance of rebuilding and sustainability**

Virtually no other event has changed the living and working conditions of people at the local level so instantaneously and simultaneously across Germany, Europe, and the world as the Covid-19 crisis. Communities and regions are on the front line when it comes to containing and fighting the pandemic. However, the local level is also where many of the decisions that will determine whether, by working together, citizens will succeed in starting all over again with a new way of living and doing business sustainably, are made. The best way to develop new production and consumption patterns, resilient healthcare, education, and mobility systems fit for the future, is to consider the needs of local actors and involve them in the process. For this reason, communities and regions should be given much more financial scope to shape their own future. Citizens need to see the financial resources packaged up in the emergency and recovery programmes for themselves and be given the opportunity to contribute their own skills in the implementation stage. New governance structures can support this, spark social innovation, and explore and shape the future through collective efforts. The implementation of investments in infrastructure and human capabilities will be more targeted and more appropriate to the specific circumstances if it also strengthens democratic participation. The upheaval triggered by the Covid-19 pandemic should be taken as an opportunity to inject new momentum into community-led sustainability policy, including – and in particular – at the local level.

- *As part of the German and European recovery packages as well as the [European Climate Pact](#), communities and regions should be given much more scope to apply for and draw on funds for transformative sustainability projects themselves.*
- *Mayors should invite selected political and private sector representatives as well as organised civil society to join “development committees” where, together with representatives from the scientific and academic community, they would discuss local sustainable development and prepare development plans to be voted on by the elected bodies.*

## 6. Link the crisis response with the implementation of the 2030 Agenda internationally

Across the world, the social, economic, environmental, and political impact of the crisis is likely to be severe and to jeopardise [progress made in achieving the SDGs](#). New infections have yet to peak in many developing countries and emerging economies. In the efforts to combat the crisis, the level of coordination and cooperation between countries, bilateral as well as multilateral, has fallen well short of what the severity of the situation requires. One particularly inadequate aspect has been the lack of a common focus on the objectives of a sustainable future beyond the crisis as agreed in the 2030 Agenda and the Paris Climate Agreement. As multilateralism continues to weaken and geopolitical tensions rise, the G7 and G20 appear to be largely paralysed. It is true that the consequences of the pandemic are playing an important role at the United Nations (UN) in its debates over the focus of the content in the entire second HLPF cycle. Indeed, the HLPF's mandate explicitly states an objective to tackle "new and emerging sustainable development challenges". So far, however, these UN debates on "SDG-sensitive recovery", "build back better", and resilience through better preparedness have not progressed much beyond fine words. And, although the EU showed global leadership with its successful donor conference on vaccine research, the international dimension of its response to the crisis still needs major improvement. The same applies to the European Green Deal and its relationship with other efforts to place sustainable development in a regional context, such as [Africa's Agenda 2063](#) or the [ASEAN Community Vision 2025](#). The EU is connected with the other regions of the world by complex supply chains that have been put under pressure by the pandemic and – now more than ever – need to be overhauled in the interest of sustainable development.

- *Within the G7 and G20, their European members (Italy: G20 presidency in 2021; UK: G7 presidency in 2021; Germany: G7 presidency in 2022; France: EU Council presidency in 2022) should come together to launch a multi-year initiative to link the response to the crisis with new impetus to implement the 2030 Agenda and the Paris Climate Agreement.*
- *Germany and the EU should invest more political and financial resources in the UN to enable the HLPF and other UN institutions to drive forward efforts to link the crisis response with implementation of the 2030 Agenda in an effective way.*
- *In its trade and economic agreements, the EU should form reciprocal transformation partnerships that promote the complementary remodelling of value and supply chains in the interests of sustainable production and consumption patterns.*

### **In a time of upheaval, open the door to a complete reboot of the Sustainable Development Strategy**

The Covid-19 crisis is fundamentally transforming the context and rhythm of Germany's National Sustainable Development Strategy. The new version is now due just a few months before the next general election, preventing it from forming an adequate basis for an ambitious sustainable development policy in the next legislative period. The comprehensive situational assessments and unsparing analyses demanded by the PBnE and RNE are what is needed. The PBnE's proposal for setting interim targets for each SDG at the start of each legislative period and having them approved by the Bundestag should thus be seen as a prompt to start now with preparations for a structural reboot of the Sustainable Development Strategy.

- *In the new version of the Sustainable Development Strategy for 2021, the German government should declare its willingness to restructure it at the beginning of the next legislative period.*
- *Even at this early stage, an inclusive process should be launched to devise, by mid-2021, a comprehensive situational analysis and recommendations for a structural reboot; these should then be incorporated into the negotiations on forming the next coalition.*