



Bonn, 3 March 2020

## **Five proposals for the structural advancement of the German Sustainable Development Strategy** Statement by SDSN Germany

The German Sustainable Development Strategy, which had been updated regularly since 2002, was completely reworked in 2016. This overhaul brought it in line with the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda, which the world's Heads of State and Government had adopted at a 2015 UN summit. Now, four years after the strategy was revised, its next extensive revision is round the corner in 2020.

Ahead of this, the **experiences gained to date with the German Sustainable Development Strategy** have been evaluated by various institutions including the German Supreme Audit Institution (BRH 2019), the Council for Sustainable Development (RNE 2019) and the Science Platform Sustainability 2030 (wpn2030 2019). All these assessments share the realisation that the German Sustainable Development Strategy lacks both political relevance and the ability to make a structural impact. This view is also held by numerous comparable analyses conducted in previous years, including in the International Peer Reviews (most recently in 2018) and in statements produced as part of the consultations on the strategy. The level of ambition in the strategy is generally praised, although its deficient implementation is emphasised. The recommendations made regarding its existing implementation structures mostly focus on strengthening it gradually. The limited success that this has enjoyed to date can be seen as a sign of a "glass ceiling", which the Sustainable Development Strategy has not yet been capable of breaking through. As it has often been stressed, some of the reasons undoubtedly lie in a lack of political will and a reluctance to invest political power in the 2030 Agenda and the Sustainable Development Strategy. However, structural shortcomings in setting up and implementing the strategy are also making it harder to mobilise and harness any political will that may exist.

**The international and European context** of Germany's sustainable development policy has seen **new strategies and approaches** emerge since 2016 that should be factored into the upcoming revision of the German Sustainable Development Strategy. These include, in particular, the Global Sustainable Development Report (GDSR) 2019 prepared by the Independent Group of Scientists on behalf of the UN (IGS 2019) and the European Green Deal (European Commission 2019). The GDSR 2019 addresses proposals for achieving the 17 goals of the 2030 Agenda with a limited number of deep transformations. The European Green Deal, the EU's new growth strategy, is designed as a major integral part of Europe's implementation of the 2030 Agenda to achieve the SDGs and also intends to do so with a raft of "deeply transformative policies".

In the light of this, five structural changes should be implemented as part of the next edition of the German Sustainable Development Strategy:

### **1. Mutual strengthening of both the German Sustainable Development Strategy and the European Green Deal**

Like many other actors, the German government has been committed to a comprehensive EU strategy for implementing the 2030 Agenda over the past few years. In policy terms, the European Green Deal that has now been unveiled by the EU Commission is the most challenging strategy it has ever put forward for aligning all internal and external European policies with the SDGs. Admittedly, some crucial

elements of a strategy such as quantitative, time-bound objectives in key areas and corresponding packages of measures and financing still need to be produced. Moreover, important areas such as the Common Agricultural Policy and the “social pillar” are yet to be tackled in sufficient detail. As an SDG-related government programme for the Commission’s five-year term in office, however, the **European Green Deal goes well beyond what has so far been achieved in Germany, for instance in coalition agreements**. In the 2030 Agenda, the European Green Deal has a political framework on which it can explicitly base itself, to which all EU member states committed at the UN summit in 2015 and to which the main European party families have also now signed up. The 2030 Agenda can thus become a connecting element within the EU that fosters a sense of community and identity, not least now that the European Semester has been aligned with the SDGs.

As a political project, the European Green Deal focuses on a limited number of far-reaching “deep” transformations, from climate neutrality and circular economy through to transitions in energy, agriculture and transport and the goal of a zero-pollution environment. It thus differs significantly from the structural approach of the German Sustainable Development Strategy. The fact that the Green Deal Commission’s term in office (to 2024) and the next scheduled implementation cycle for the German Sustainable Development Strategy (2020-2024) not only coincide but also fall **midway through the implementation period for the 2030 Agenda** makes it all the more important for the federal government to push ahead with both in such a way that each strengthens the other. Political realism and pragmatism demand that the Green Deal be supported as Europe’s pivotal strategy for achieving the SDGs and that efforts be made to help shape it based on the best ambitions and experiences from the German Sustainable Development Strategy, particularly its clear focus on the SDGs. At the same time, the next edition of German Sustainable Development Strategy should be positioned prominently as Germany’s contribution to implementing the European Green Deal. As well as reducing overlaps and inconsistencies between processes, this would also strengthen the political relevance of the German Sustainable Development Strategy and send out a clear signal of support for the Green Deal to the EU and fellow member states.

## **2. Implementation by focusing on key transformations and overarching levers**

The current critical debate about the shortcomings in implementing the German Sustainable Development Strategy has focused attention on indicators in the areas in which the 2030 targets are likely to be missed (“off-track indicators”; cf. Peer Review 2018, SRU 2019). This debate is important, because it must ultimately be possible to measure sustainable development governance against its material impact. However, focusing on individual indicators risks ushering in a situation where incremental measures targeting single goals are taken piecemeal, thus pushing the 2030 Agenda’s systemic, cross-issue approach into the background. Yet the close interactions between the SDGs mean that sustainable solutions can only be devised in a holistic approach. An alternative approach in the international sustainable development debate has been formulated recently, most notably in GSDR 2019, in the SDSN Working Paper *Six Transformations to Achieve the Sustainable Development Goals* (Sachs et al. 2019) and in the 2019 *Europe Sustainable Development Report* by SDSN and IEEP (ESDR 2019; SDSN and IEEP 2019). A synoptic comparison of these approaches (cf. Appendix 1) shows that they rely both on fundamental **processes of change (transformations) in key areas** and on **central overarching levers**. The transformations being proposed clear a path to the SDGs (cf. Appendix 2 by way of an example) with a modular action agenda that can be shaped using different yet interlinking areas and levels of governance. Every transformation involves various business and civil-society actors,

thus enabling targeted problem-solving, clear communication and the mobilisation of interest groups. The European Green Deal can also be regarded as such an approach.

Although the European Green Deal and the international reports cited use different classifications in some places, they essentially share the same, plausible basic understanding of key transformations and transformative levers.

In the future, the German Sustainable Development Strategy should also be implemented using key transformations and central transformative levers as well as made into a platform for ushering in political agreement on key sustainable development transformations beyond departmental and institutional boundaries. Considering the problem areas of the Sustainable Development Strategy as well as the scope for linking it to the European Green Deal, it would seem expedient to focus on the following **key transformations**:

- Energy transition
- Circular economy
- Transformation of the construction and transport sectors
- Transformation of the agriculture and food system
- Transition to a pollutant-free environment
- Human well-being and capabilities, social justice

The following **transformative levers** should be prioritised:

- Governance
- Societal mobilisation and participation
- Finance
- Research, innovation and digitalisation
- International responsibility and cooperation

Implementation via key transformations and overarching levers would still align with and permit measurement against the SDGs and the objectives of the German Sustainable Development Strategy but would structure interdependencies, possible solutions and measures differently. Such an approach would enable the strategy to strengthen structures and gain political relevance, allowing it to become a stage for major **social debates** and put the key actors responsible for each transformation and lever at the centre.

The government should use the upcoming revision of its Sustainable Development Strategy in 2020 as an opportunity to set an accordingly new strategic direction. Furthermore, it should commit to converting the individual measures in the strategy into **transformation packages and levers within a year** through the efforts of the State Secretaries' Committee for Sustainable Development. The Committee's December 2019 resolution on the off-track indicators offers an important starting point for this.

### 3. Using finance as a transformative lever

To date, the German Sustainable Development Strategy has essentially approached the issue of finance primarily **from the angle of limiting government debt**. Other quantified financial targets, such as private and public spending on research and development or Official Development Assistance (ODA), demonstrate few if any links to content of the Sustainable Development Strategy in qualitative terms. Although the government has devoted more of its attention to the issue of sustainable finance recently, it is not making consistent use of the transformative lever of finance to pursue the goals of its Sustainable Development Strategy. The focus being placed by the finance industry, the financial markets and public-sector financial policy on sustainable development has to become a key element of the Sustainable Development Strategy following its next update.

By convening an advisory committee on sustainable finance, the government has taken an important step forward, including with regard to the corresponding initiatives at EU level. The government should take the [committee's interim report](#) as an opportunity to embed sustainable finance prominently in the draft of its revised Sustainable Development Strategy, even taking this report as a basis, and should set out specific implementation steps in terms of regulation and its own activities. Rather than be limited to identifying sustainable ("green") financial products or "pricing in" sustainability risks, this must also curb and put an end to unsustainable forms of financing that hinder transformation. Ultimately, the whole **financial industry** has to become an **engine of the sustainability transformation**.

Implementation of the German Sustainable Development Strategy has not yet been factored into federal ministries' individual plans in financial terms. Budgetary law, and how it is interpreted and applied, has not yet been aligned with the requirements of the Sustainable Development Strategy either. It is partly a question of restricting and eventually bringing a swift end to unsustainable financial policies on both the revenue and expenditure sides. In addition, the financial resources required for both short-term interventions in off-track areas and long-term transformations need to be secured in the federal budget. Furthermore, the tax system, subsidies and guarantees, public procurement and public-sector investment strategies have to be made a tool of sustainable development policy in terms of how they are designed. In the evolution of its Sustainable Development Strategy, the federal government should commit to **presenting and implementing a comprehensive concept for the transformative lever of public finances**, due to the public sector's huge economic clout as well as its responsibility to set an example.

### 4. Anchoring the strategy in parliament and society, strengthening of governance

The German Sustainable Development Strategy remains, **at its heart, a strategy of the executive branch** of government. Although the strategy has various links to the Bundestag, the German Parliament, and the federal states as well as to the business sector, civil society and the academic and scientific community, it is unable to foster enough binding (including reciprocal) commitment. Amending Germany's Basic Law could enable a broad political consensus to enshrine the principles of sustainability in the constitution, place corresponding obligations on the government's actions and give society guidance. However, this alone will not result in a broadly owned strategy development and an effective implementation. Conflicting objectives and pluralistic ideas about the future mean that, rather than being a technocratic task, sustainability is a deeply political mission that has to be negotiated in the central arenas of democratic discourse. The only way for **sustainable development** to become and succeed as a **genuinely joint effort** is in the forum of democratic debate.

To embed the Sustainable Development Strategy more effectively in Parliament and society, it should be considered whether the **politico-strategic core of the strategy** should be agreed, either by the **federal government, Bundestag and Bundesrat** or by the **federal government and key societal actors** in a joint document, e.g. every four years. The first option would lend weight to the “whole-of-country” element of the strategy and would mirror a pattern of action seen in the Joint Declarations of the European Parliament, European Council and European Commission – a pattern that was applied, for instance, in the European Consensus on Development (most recently in 2017 with regard to the 2030 Agenda). The second option would place the focus primarily on the “whole-of-society” character of the strategy and would also, and in particular, be called for at the level of the key transformations. In both cases, regularly updating the strategy would also mean providing relevant accountability. The many varied dialogue formats that exist in the context of the Sustainable Development Strategy could gain in relevance if each focuses on specific key transformations, levers and groupings of actors, becomes a stage for mutual obligation and overcomes the problem of **sustainability discourse and realpolitik going on unrelated with each other**.

Within the federal government, the Federal Chancellery has not yet been sufficiently able to muster the necessary political attention and clout for the German Sustainable Development Strategy, for which it holds overall responsibility. It has tended to moderate, rather than steer, the strategy’s development, revision and implementation. In addition, it largely lacks the instruments as well as financial and human resources that are usually available to the line ministries for implementing their own policies. This creates the **paradox of political responsibility being concentrated in a body shorn of the relevant competencies** and, by and large, the necessary resources. The situation is compounded by the split in responsibilities between the national dimension (Federal Chancellery) and the European/international dimension (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and Federal Ministry for Economic Cooperation and Development (BMZ)). To strengthen the German Sustainable Development Strategy both politically and structurally, the Federal Chancellery’s role in shaping and implementing it must be expanded significantly, including with respect to control and financing. If this proves impossible or not wanted, overall responsibility and corresponding powers could alternatively be transferred to a dedicated federal ministry with a structural role similar to the Finance Ministry. In any case, there would have to be a Federal Cabinet member – either within the Federal Chancellery or heading up a federal ministry – who would stand up for the Sustainable Development Strategy in day-to-day politics, backed by the full power of their office. The Sustainable Development Strategy could also be given greater clout by allocating joint overall responsibility for the key transformations being proposed to the competent federal ministries in each case.

## **5. Synchronising the cycles of the Sustainable Development Strategy and key political processes**

The German Sustainable Development Strategy is revised every four years and updated midway through each cycle (most recently in 2018). In response to several off-track indicators, the State Secretaries’ Committee for Sustainable Development also identified additional measures for the relevant indicators in a [resolution passed in late 2019](#). These relatively frequent intervals for advancing, updating and intervening are to be welcomed in principle and demonstrate that the strategy can be deployed as an agile, flexible tool. However, they also harbour the risk that systemic problems will be **obscured by short-winded processes** and necessary structural changes will be hard if not impossible to realise. The dialogues for further developing the strategy are held too late for this. In the future, the interim update to the strategy midway through each four-year cycle should be

followed immediately by a broader reflection on fundamental and structural issues together with Parliament, civil society, the business sector and the academic and scientific community. This would then set the course for the next revision.

In addition, the German Sustainable Development Strategy should be synchronised more closely with key political consensus-building processes such as the elections to the Bundestag and coalition negotiations. At present, a decision on the revised strategy is held some nine months before the next scheduled elections to the Bundestag in each case. This makes it hard if not impossible politically to take any new major or medium-to-long-term decisions, while also meaning that the revised strategy might quickly be superseded by the new coalition agreement following the Bundestag elections. The strategy could gain political relevance and influence by being reformulated as a **core project for each government in the first year** of a new legislative period. Its review and interim update would then generally be realised at the end of the third year of this period. Together with the broader reflection on fundamental and structural issues that would follow, this interim assessment could provide an important starting point for the political debates in the Bundestag election campaign, the new coalition agreement and the subsequent revision of the strategy.

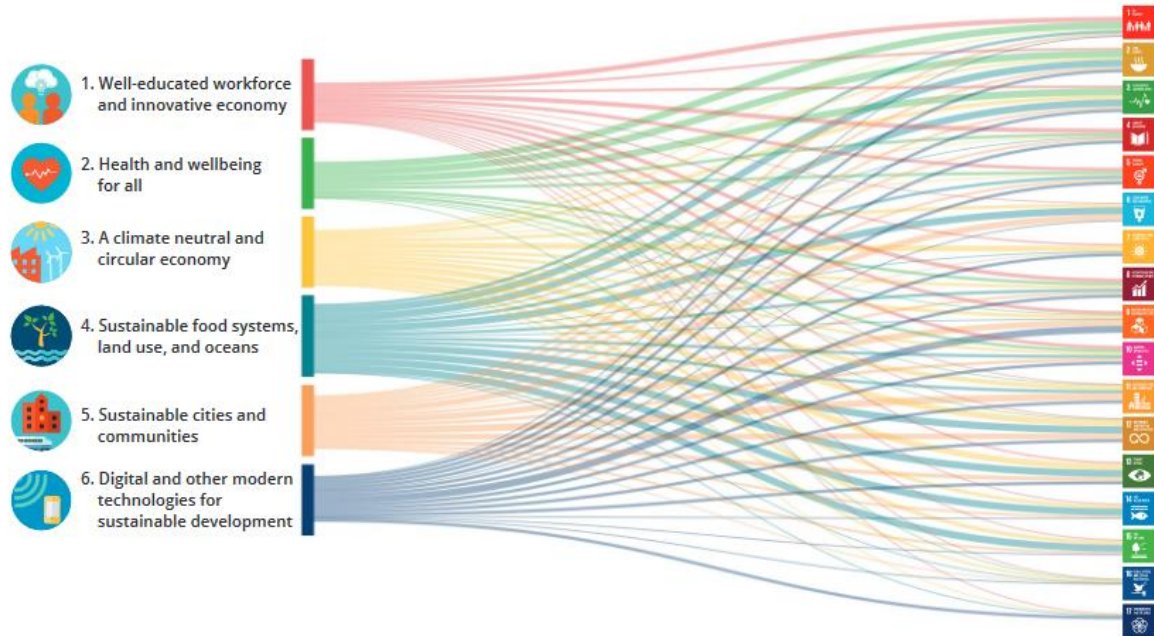
*Resolution of the SDSN Germany Leadership Council of 3 March 2020*

**Annex 1: Key transformations and their levers (synopsis)**

Concept/report Areas of transformation	European Green Deal	GSDR	SDSN Working Paper	ESDR
<b>Human development and society</b>	(EU social pillar exists but is separate from the Green Deal)	Human well-being and capabilities	Education, gender, and inequality	Well-educated workforce and innovative economy
			Health, wellbeing and demography	Health and wellbeing for all
<b>Energy and industry</b>	Climate neutrality	Energy decarbonization and universal access	Energy decarbonisation and sustainable industry	A climate-neutral and circular economy
	Clean energy transition			
	Clean and circular economy	Sustainable and just economies		
<b>Cities and mobility</b>	Building and renovating	Urban and peri-urban development.	Sustainable cities and communities	Sustainable cities and communities
	sustainable and smart mobility			
<b>Environment and land use</b>	From 'Farm to Fork'	Food systems and nutrition patterns	Sustainable food, land, water, and oceans	Sustainable food systems, land use, and oceans
	Ecosystems and biodiversity	Global environmental commons		
	Toxic-free environment			
<b>Digital and other modern technologies</b>	(EU digital agenda exists but is separate from the Green Deal)	(is dealt with as a lever)	Digital revolution for sustainable development	Digital and other modern technologies for sustainable development

Concept/report Key levers	European Green Deal	GSDR	SDSN Working Paper	ESDR
<b>Social justice and societal change</b>	Leave no one behind (Just Transition)	Individual and collective action	Leave no one behind	Leave no one behind
			Social activism to change norms and behaviours	Convergence across EU member states
<b>Governance</b>	Mainstreaming sustainability in all EU policies	Governance	Goal-based organisation of government and financing	Policy frameworks
	A European Climate Pact			Subsidiarity analysis
				Metrics and monitoring
<b>Finance and economy</b>	Financing the transition	Economy and finance	Circularity and decoupling	A sustainable Europe investment plan
<b>Research and innovation</b>	Mobilising research and fostering innovation	Science and technology	Goal-based design and technology missions	Technological pathways
				Mission-oriented research and innovation
<b>International responsibility and cooperation</b>	The EU as a global leader	Shared responsibility for transformation	Diplomacy and international cooperation for peace, finance, and partnerships	EU diplomacy and development coop. for the SDGs
				Tackling international SDG spillovers

**Annex 2: How the key transformations contribute to achieving the SDGs**



Source: ESDR 2019, p.16. How the six SDG Transformations contribute to the 17 goals (adapted from J.D. Sachs et al. 2019).



## Supporting documents

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