

**GOVERNANCE FOR SUSTAINABLE DEVELOPMENT IN GERMANY:  
INSTITUTIONS AND POLICY MAKING**

by

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(\*) The views expressed in this paper are those of the authors, and do not necessarily reflect those of the OECD, or those of its Public Management Service.

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## PURPOSE

1. The study focuses on practices for improving institutions and decision-making for sustainable development in Germany<sup>1</sup>. It does not provide an exhaustive review of sustainable development governance in Germany, but rather highlights current trends as well as selected promising developments that could help achieve sustainable development. The paper focuses on the strategies that have been formulated and implemented but an overall review of policies and programmes was left outside the scope of the study. Similarly, it focuses primarily on developments within federal level government authorities and, therefore, does not cover the multiplicity of local and private initiatives, apart from selected illustrative examples. This paper was commissioned by the OECD and not extensively discussed with the German Government, respectively the Ministry of the Environment.

## GENERAL INTRODUCTION

### *Physical, economic and human patterns*

2. 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, Denmark, the North Sea and the Baltic Sea to the north. Germany has a continental climate in the western regions with strong Atlantic influences in the northwest and a temperate climate in the eastern regions. Further inland, the winter temperatures are lower and the summers are warm, with slightly higher temperatures in the southwest. Germany is a country characterised by abundant rainfall and water. The major river systems of the Rhine, Elbe, and Danube as well as numerous lakes make up to 2 per cent of the territory. The North Sea and the Baltic Sea coastlines are more than 1,500 km in length.

3. As Western Europe's most populated country, Germany was estimated to have a population of 82,797,408 in 2000, living in a total area of around 357,000 square kilometres. The average population density of 228 inhabitants per square kilometre is one of the highest in Europe. 58 per cent of the population live in municipalities with more than 20,000 inhabitants. Major cities in Germany are Berlin (about 3.3 million inhabitants), Hamburg (1.7 million), Munich (1.2 million), and Cologne (960,000). Despite the high density of human settlement, some 55 per cent of the country's territory is used for agriculture and 30 per cent of Germany is covered by forests. Buildings and open areas account for 8 per cent of the land use and transport for 4.7 per cent (Statistisches Bundesamt 2000; SRU 2000). Nevertheless, the main trend in land use is that the area used for settlement and transport is continually increasing, while that used for agriculture is decreasing (BMU 1997).

4. Germany is one of the leading economies in the world. Its gross domestic product of \$3,842 billion in 1999<sup>2</sup> ranks third behind the USA and Japan. The annual GDP growth was 2.1 per cent in 1998; it slowed down to 1.6 per cent in 1999, largely due to lower export demand and low business confidence. Fiscal consolidation and a recovering export demand boosted growth back to an estimated 3.1 per cent in 2000. German industry is highly integrated into the world market, with a high share of its wealth generated through exports (28 per cent) and also significant imports of raw materials and consumer goods. The integration of Eastern Germany remains a social and economic long-term problem with annual transfers of roughly \$100 billion.

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<sup>1</sup>. This case study was finalised in March 2001.

<sup>2</sup> USD at 1995 prices and PPP.

5. In terms of sustainable development, the above patterns have various consequences. Germany's high degree of industrialisation and its central location in Europe are factors generating high traffic volumes, which have increased considerably due to the German reunification, the economic opening of Eastern Europe and the creation of an internal European market. The competition between different types of land usage puts a particular burden on biodiversity, contributing to a generally declining pool of species, with 5 per cent of vertebrate species being registered as extinct and 50 per cent classified as endangered. A third of all plant species are considered threatened or extinct. High economic performance and high living standards among the German population involve high consumption of energy and raw materials. In 2000 the total primary energy consumption amounted to 14,173 petajoules resulting in 834.7 million tons of CO<sub>2</sub> emissions. The German economy's energy efficiency is below the OECD average (DIW 2001).

6. The problem of pollutant emissions into the aquatic environment and the atmosphere was recognised early on in the 1960s, leading to a comparatively long tradition of environmental policy in Germany. The introduction of an ambitious preventive and precautionary environment policy from the beginning of the 1970s onward resulted in a relative decoupling of economic growth from energy and materials' consumption as well as pollutant emissions since the 1980s. In contrast, Eastern Germany was facing acute environmental problems. Article 34 of the accession treaty obliged the federal government to undertake significant efforts to increase environmental standards in the former GDR (Beuermann 2000: 86).

### *Governance patterns*<sup>3</sup>

7. The Federal Republic of Germany is a federal State characterised by a polycentric administrative structure, a co-operative system of federalism and the strong position of the Federal Chancellor as its head. Its administrative structure consists of three different levels: federal, *Land* (state), and local. Each level is legally autonomous and, in principle, independent in fulfilling its constitutionally defined tasks. The Basic Law distributes the competencies and tasks between the Federal Government and the *Länder*, while the local authorities form independent bodies of self-government which allows them to regulate all their local affairs under their own responsibility.

8. Germany is composed of 16 *Länder* with 13 territorial *Länder* (Baden-Wuerttemberg, Bavaria, Brandenburg, Hesse, Lower-Saxony, Mecklenburg-Western-Pomerania, North-Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia) and 3 "city-states" (Berlin, Hamburg, Bremen) which are both a *Land* and a local authority.

9. The primary function of the federal government is to prepare political decisions and legislation. Legislative competencies are divided between federal authorities and the *Länder*. Where the Basic Law does not explicitly give legislative jurisdiction to the federal authorities, the *Länder* have such jurisdiction. Key areas where the Basic Law (Art. 73) gives jurisdiction to the federal authorities include foreign affairs, defence and monetary policy. In addition, the federal government can issue so-called "competing" legislation that override the *Länder* legislation in areas specified in Art. 74 of the Basic Law. This concerns, for example, the fields of waste management, air quality control, noise protection and nuclear energy. Finally, the federal authorities have the right to issue framework legislation (Art. 75 Basic Law) in areas such as nature conservation, landscape management and water resources management.

10. This division of jurisdiction makes the federal government largely responsible for environmental legislation, while the *Länder* and local authorities are responsible for implementation. Federal laws,

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<sup>3</sup> The description of the German governance structure is based on OECD (1992), OECD (1997), and BMU (1997d).

ordinances, and administrative provisions are normally executed by the *Länder* under their own responsibility. In some areas, which are subject to federal supervision, the *Länder* execute federal laws on behalf of the federal authorities (e.g. laws on nuclear safety and radiation protection).

11. In decision making, the provisions of the Basic Law promote co-operation and policy co-ordination. On the federal level, proposed legislation (bills) can be introduced by members of the German parliament (*Bundestag*), by the *Bundesrat* (*Länder* chamber) or by the federal government. After the *Bundesrat* (in connection with initiatives of the government) or the federal government (in connection with initiatives of the *Bundesrat*) has responded officially, the proposal for a bill is sent to the *Bundestag*. Proposed legislation is treated in the *Bundestag* in three “readings”. If the *Bundestag* passes the bill, it must then also be passed by the *Bundesrat*, if it touches upon *Länder* interests.

12. Despite the strengths of this co-operative federalism, it poses some threats to the independence and relative political weight of the *Länder*, especially when joint financing is involved. This trend is further accelerated by the transfer of competencies to the European Union, and therefore the *Länder* are demanding greater involvement in EU decision-making processes.

13. With its high population density and its environmentally detrimental heavy industry, Germany is a country with a long tradition in air and water pollution control. Driven by a strong environmental movement (with more than five million members), the country was among the international front-runners in a number of areas such as regulating emissions from large combustion plants (e.g. coal power stations) or introducing car emission standards, later on also in the fields of climate protection and waste management. At the beginning of the 1970s, Germany was already an early pioneer in strategic environmental planning. At that time, a number of innovative institutional arrangements and mechanisms for setting long-term environmental objectives as well as concrete action goals (1971 Environmental Programme) and for integrating environmental considerations into the decision making of other sectors (notably a “Green Cabinet”) were introduced (see *Box 1*). However, in spite of these early achievements and an altogether relatively successful environmental policy (see, for example, OECD 2001), at present Germany seems to lag behind more pro-active European governments in its efforts to implement the more recent concept of sustainable development (Lafferty and Meadowcroft 2000b: 419). The fact that Germany will be one of the last OECD countries to introduce a national strategy (Jänicke and Jörgens 2000) for sustainable development illustrates this point. Similarly, at the international level, Germany has been active in promoting concrete environmental initiatives, for example in the field of climate policy, rather than with regard to general issues of sustainable development.<sup>4</sup>

## A. MAIN ISSUES AND TENSIONS

### *Implementing sustainable development at the federal level: the former front-runner comes late*

14. The rise of the concept of sustainable development challenges traditional policy making in a number of ways. Changes in the political decision-making process and the institutional framework required by this concept relate to three main issues: the coherent integration of policies in the environmental, social and economic spheres; the wide-ranging participation of civil society in decision making; and a long-term view of problems and resulting strategies.

15. Already in its initial phase in the 1970s, German environmental policy had to a surprising extent tried to incorporate these aspects, which only two decades later were internationally established as key

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<sup>4</sup> Here, Germany’s involvement as a pilot country in testing a set of sustainability indicators developed by the United Nation’s Commission for Sustainable Development (CSD) can be mentioned.

elements of the concept of sustainable development. The 1971 Environmental Programme, which gave the starting signal for modern environmental policy in Germany, set up the basic guiding principles of German environmental policy (precautionary principle, “polluter pays” principle, and principle of co-operation) and formulated ambitious long-term targets for air pollution control and water protection, as well as a wide range of concrete policy actions. In retrospect, it can be seen as an early predecessor of modern “green” plans. One of its key objectives was to institute a process of long-term environmental planning (Bundesregierung 1972; Wey 1982). In addition, the programme not only developed the idea of environmental policy integration, but also translated this idea into new institutional arrangements (Müller 1984: 127). The continuation of the Environmental Programme of 1976 furthered this idea by formally defining environmental policy as a “cross-sectoral task”.

16. Furthermore, the costs of most of the environmental laws and decrees foreseen for the following years were calculated in the 1971 Environmental Programme. Finally, participation of non-governmental actors in environmental rule making was to some extent formalised in the Federal Emissions Control Act of 1974 (§ 48).

**Box 1: Environmental Policy Integration Mechanisms in Germany in the 1970s**

- 1971 Detailed Environmental Programme setting long-term targets for air and water pollution and formulating 148 concrete policy actions, evaluated and continued in 1976.
- 1972 Cabinet Committee for Environment and Health: 12 ministers, chaired by the Chancellor.
- 1972 Standing Committee of Director Generals from various ministries (StALA/Bund), chaired by the Minister for the Environment (at that time the Minister for the Interior).
- 1976 Environmental policy formally defined as a “cross-sectoral task” (*Querschnittsaufgabe*).
- 1970 Foundation of the Working Group on Environmental Issues (*Arbeitsgemeinschaft für Umweltfragen*), a pluralistic non-governmental policy transfer institution according to the “principle of co-operation” of the Federal Government.
- 1975 Principles for Environmental Impact Assessment of Public Activities of the Federal State.

Jänicke 1999, source: Bundesregierung 1972, 1976

17. In the late 1970s, however, the initial strategic planning approach and the attempt to treat environmental protection in an integrated manner lost much of its impetus and gave way to a medium-term-oriented command-and-control approach based mainly on permits and standard setting. Instead of setting qualitative medium- and long-term goals, environmental policy relied increasingly on emissions control at the source, based on highly detailed technical prescriptions (best available technology) (Jänicke and Weidner 1997: 139). The Environmental Programme which had been formally evaluated and continued in 1976 (Bundesregierung 1976), gradually lost impact and was finally dropped by the Christian-Liberal government in 1982. In this second phase, environmental policy focussed mainly on air pollution control, water protection and waste management, and it was in these areas in particular that it achieved remarkable success.

18. Against this background, the publication of the Brundtland Report in 1987 and the subsequent international rise of the concept of sustainable development received less attention in Germany than in other OECD countries (Lafferty and Meadowcroft 2000a) and was mainly restricted to the preparation of

the 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro. While the UNCED stimulated some domestic changes – for example the creation of a rather weak National Committee for Sustainable Development or the amendment of a new Article 20a in the Constitution (*Grundgesetz*, see Part B.) anchoring long-term environmental protection as a national objective – a more comprehensive reorientation of environmental policy towards a national strategy for sustainable development did not occur. In 1994, after the removal of the prominent Minister of the Environment, Klaus Töpfer, environmental planning in the sense of the Agenda 21 became an objective of low political priority in Germany.

19. Driven mainly by the commitments made at the Rio Conference, the work of NGOs (BUND/Misereor 1996) and two successive parliamentary enquête commissions (*Enquêtekommission* 1994, 1998), the process of formulating a national strategy for sustainable development started – very slowly – in 1996 with discussions in special working groups, initiated and chaired by the Ministry for the Environment, Nature Conservation and Nuclear Safety (see Part C.). The result was a strategy proposal published before the elections in 1998 by the environment ministry (BMU 1998b). However, this strategy was never formally adopted by the cabinet. The scientific expertise gathered, particularly by the second parliamentary enquête commission, was used by the Social Democratic and the Green parties (both in opposition at that time) as a knowledge base for their claim for a German Environmental Policy Plan, which was part of the election campaign.

#### *The current agenda*

20. By March 2001, Germany had not yet fully developed a national sustainable development strategy, although it should be stressed that concrete initiatives have been taken in the last few years, one of the most significant being the October 2000 Programme on Climate Protection. In 1998, after the election and the victory of a “red-green” (Social Democratic/Green) party coalition the process of formulating a sustainable development strategy was taken up again, though very slowly. In January 2000 the German Parliament (*Bundestag*) asked government to formulate a German sustainability strategy and to establish a Council for Sustainable Development (both actions having been agreed upon by the governing parties in their coalition treaty). In April 2000, the Conference of Environmental Ministers (UMK) of the federal states (*Länder*) supported this appeal, thereby stressing the necessity of being included in the process. In July 2000, the Cabinet came up with a decision to elaborate a sustainability strategy and to create the institutional preconditions for this process: an Interministerial Committee on Sustainable Development (Green Cabinet) chaired by the chief of the chancellor’s office, and a National Council for Sustainable Development. However, it was not until February 2001 that the members of the Council for Sustainable Development were formally appointed. At the same time, the Green Cabinet is expected to begin its work in March 2001.

21. This slow start and the step-by-step approach in the formulation of a national strategy for sustainable development may to a certain degree be explained by a general scepticism resulting from the “planning euphoria” of the early seventies. The experience of that time has, indeed, made clear that green planning and environmental policy integration is not an easy task. A key problem of the ambitious planning approach of the early seventies may have been the overestimation of horizontal co-operation between the environmental administration and those policy sectors which are closely linked to important target sectors such as energy or transport. This model was relatively effective when environmental policy was located within the more powerful Ministry of the Interior, and the responsible Minister of the Interior (Hans-Dietrich Genscher) was at the same time Vice-Chancellor of the Social Democratic/Liberal government and leader of the Liberal party. Later on, however, the horizontal approach often led only to “negative co-ordination” (Scharpf 1993), in the sense that inter-sectoral co-operation was effective only in issue areas where sectoral interests were not strongly affected.

22. Another lesson to be drawn from the early German experience is that a low – or decreasing – level of environmental awareness is clearly a bad precondition for a demanding strategy such as sustainable development. A restriction to a comprehensive planning approach may also have been the federal structure of the political system, which restricts the scope of action of the federal government by allocating legislative competencies partly to the *Länder*, thus increasing the need for policy co-ordination between different levels of government.

23. Additionally, the ambitious start of environmental policy in 1970 and the subsequent successes especially during the 1980s and early 1990s created a German policy tradition of its own in this policy field which restricted government's ability to strongly commit itself to the new policy approach brought forward by the concept of sustainable development. Following the publication of the Brundtland Report in 1987, the concept of sustainable development was to some extent perceived as a step back from what had already been achieved through the introduction of the precautionary principle and its implementation based on the systematic prescription of best available technology. "Therefore, an agreement on integrating economic, environmental and social concerns in decision-making (...) was judged to be a political 'fudge' resulting from international negotiations that might weaken the German domestic commitment to environmental protection" (Beuermann 2000: 88f.). This opinion was voiced several times in our interviews. When asked for an explanation of the slow Rio-plus-10 process in Germany, a leading official of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety answered: "Everything we do is a contribution to sustainable development".

#### **Box 2: Steps in the Formulation of a Sustainable Development (SD) Strategy in Germany**

- **1991-94:** Active participation in the UNCED process (1992); change of the Minister for the Environment (1994) led to a change of priorities; Enquête Commission of the *Bundestag* "Protection of Man and Environment" (1992-94) formulates four "Management Rules" of ecological SD.
- **1996-98:** So-called "step process", organised by the Ministry for the Environment; "Sustainable Germany", published by the Federal Environment Agency (1997); 1998 draft programme "Sustainable Development in Germany", not formally endorsed by the Cabinet (quantitative targets for 2020); Enquête Commission of the *Bundestag* on SD (1995-98) formulates three-pillar approach to SD.
- **1998-2001:** Renewed SD activity by the "red-green" government with concrete goals and measures, including a step-by-step process open to discussion with stakeholders and civil society organisations:
  - Strategy and Council for SD in the coalition treaty (1998)
  - Cabinet decision in July 2000: procedural and institutional regulation of the SD strategy formulation process, reintroduction of a "Green Cabinet".
- **2001:** Formal appointment of the 17 members of the Council of Sustainable Development; first formal meeting of the "Green Cabinet". The three priorities for building a national strategy are "Climate Protection/Energy Policy", "Environmentally Compatible Transportation", "Environment, Nutrition and Health". The Council of Sustainable Development and the "Green Cabinet" are heavily involved in the preparation of a National Sustainable Development Strategy.

#### ***Basic understanding of sustainable development***

24. In the 1990s, two parliamentary Enquête Commissions on environment policy issues played an important role in creating the knowledge base for the German policy discourse on sustainable development. This included the basic understanding of the concept of sustainable development. The first Enquête Commission (1992-94) formulated four "management rules" of sustainability, which clearly focussed on the long-term protection of the environment and natural resources, at the same time emphasising the potential synergies for social and economic affairs. The second Enquête Commission,

“Protection of Mankind and the Environment” (1995-98), established a broader definition of sustainability which gives equal weight to economic, social and environmental aspects. In our interviews we found that both concepts were prevalent in the actual debate. While, within the Ministry for the Environment (BMU 1997a: 9) or the German Council of Environmental Advisors (SRU 1994; SRU 2000), the focus has clearly been on the ecological dimension, the other ministries and also the Green Party now prefer the “three-pillar approach” focusing equally on the environmental, social and economic dimensions of sustainable development. However, the opinions about this broader definition of sustainability ranged from “very useful” or “promoting learning across sectors” to “unclear” or “too complicated to handle”. Within the Ministry of Finance, the concept of sustainability was applied mainly to the long-term consolidation of the budget. Within the Ministry of Labour and Social Affairs, sustainability was exemplified by the long-term security of the pension system, but also by the availability of “social capital”. Social justice and participation have also been mentioned as criteria for defining sustainability.

25. According to a representative opinion poll carried out in 2000 by the Federal Environment Agency and the Federal Ministry for the Environment, the term “sustainable development” was known only to 13 per cent of the German population, representing a decrease compared to 1998, when 15 per cent of the population claimed to have heard of sustainable development. The study concludes that there is great uncertainty on the part of the citizens with regard to sustainable development (BMU 2000: 68). Our interviews showed that sometimes even public servants who are professionally confronted with sustainability had no clear idea of how to operationalise this concept for concrete policy making. Although the term “sustainable development” has become an integral part of the standard vocabulary in almost all sectors of government, concrete sustainability objectives rarely exist and therefore have very limited impact on concrete policy making.

26. The fact that the most recent government initiatives with regard to sustainable development – the Cabinet decision of July 2000 to create a Council for Sustainable Development and a “Green Cabinet” and the appointment of the 17 members of the Council for Sustainable Development in February 2001 – went almost unnoticed by the media and the general public, tends to illustrate the low priority of sustainable development in Germany<sup>5</sup>.

27. In contrast, aspects of environmental protection seem to have been much more successfully integrated into sectoral policies (see *Table 1*). This can be explained to an important extent by the strong tradition of the environmental policy field (see above). Contrary to the broader concept of sustainable development, which gives equal weight to social, economic and environmental aspects, the ecologically focused concept of sustainable development has developed a strong organisational and institutional basis in Germany.

28. Another important explanatory factor for the strong and prevailing focus on environmental issues within the German approach to sustainable development could be the strength and influence of proponents of environmental protection such as the environmental movement, the German Green Party (at the State as well as at the federal level), as well as science and the media (Jänicke and Weidner 1997). Until today, no comparable pressure groups existed with regard to the broader concept of sustainable development. Rather, the concept of sustainable development is interpreted and used by different societal actors (e.g. industry associations, trade unions, environmental organisations) in order to pursue their own interests and goals.

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<sup>5</sup>. However, the Environment Ministry reported studies from 2000 which showed a recent increase in environmental awareness. If this evolution is confirmed, it could lead to a reinvigoration of the sustainable development debate.

### *Selected sectoral issues*

29. Sustainable development is internationally conceived as a general guiding principle for all government activities. While in most OECD countries the ministries for the environment have taken the lead in the preparation of UNCED and the implementation of Agenda 21 (see for example Lafferty and Meadowcroft 2000a; Jänicke and Jörgens 2000), it is essential that other sectoral ministries equally commit themselves to this goal. In this section, we therefore look at the non-environmental ministries and their contribution to sustainable development, while sustainable development activities of the Federal Ministry for the Environment – such as the development of the draft programme “Sustainable Development in Germany” (BMU 1998b, 1998c) or the recent “Foreign Direct Investment Initiative” of the Ministry for the Environment and the Federation of German Industries – are described in other sections. A comprehensive account of the specific environmental activities of the German federal environmental institutions can be found in the recent OECD Environmental Performance Review of Germany (OECD 2001).

30. In the following sub-sections, three policy sectors – climate and energy policies, transport and agricultural policy – will be described briefly. These are not only the priority sectors in the present debate within the European Union, but also sectors of high environmental relevance where significant policy change can be observed. Additional policy sectors are briefly characterised in *Table 1*. Policy sectors here are understood as responsible government institutions, together with the societal stakeholders who interact with them.

### *Climate and energy policies*

31. Climate policy in Germany provides the longest and best experience as regards sectoral strategies for sustainable development. A parliamentary Enquête Commission on Climate Protection in the late 1980s created the knowledge base for the ambitious CO<sub>2</sub> reduction programme of 1990/91. In June 1990, the Cabinet adopted a CO<sub>2</sub> reduction target of 25-30 per cent between 1987 and 2005 which, in order to be consistent with international targets, was later modified to a reduction of CO<sub>2</sub> emissions by 25 per cent by the year 2005, based on 1990 levels. Also in 1990, an Interministerial Committee (*Interministerielle Arbeitsgruppe* – IMA) on climate protection was established, chaired by the Ministry for the Environment. It was highly effective in allocating responsibilities for climate protection to a number of environmentally relevant ministries (economic affairs, transport, construction, technology, agriculture) and thus integrating climate protection into the decision making of government in general. The IMA initially developed a programme for climate protection which included 30 concrete measures for reducing CO<sub>2</sub> emissions and which was later extended to a total of 109 measures (Beuermann 2000: 101). When recent prognoses showed that only a CO<sub>2</sub> reduction of 18 to 20 per cent could be expected by 2005, the Federal Government presented in 2000 a new National Climate Protection Programme, which has now come to comprise more than 150 individual measures and which follow the path adopted by the former government. In this programme, the remaining shortfall of 5-7 per cent was translated into sectoral targets for private households and buildings, energy and industry and transport. Key measures taken in the course of implementing the successive programmes for climate protection include the ecological tax reform, the promotion of renewable energies (see *Box 3*), energy saving and the energetic renovation of older buildings (see *Box 4*). An Energy Agency was also established to support climate protection.

### **Box 3: The German Renewable Energy Act**

An example of best practice in German energy policy is the 1999 Renewable Energy Act (based on the 1990 Act on the Sale of Electricity to the Grid). The Act obliges network operators to purchase electricity from renewable energy sources and sets out fixed prices of DEM 0.99/kWh for photovoltaic power and of DEM 0.13/kWh to 0.18/kWh for other renewables. These minimum feed-in tariffs for electricity from renewable energy sources, which take into account real generation costs, stimulated a massive boom in renewable power production. Although the economic efficiency of this act has been questioned, its environmental effectiveness has been clearly demonstrated. The explicit goal of the Renewable Energy Act to double the proportion of electric power from renewables up to 2010 is rather modest compared to the present growth rate triggered by the new regulation. The act is particularly remarkable because of its strong support by a new and broad societal alliance consisting of environmental NGOs, and also business associations like the powerful German Peasant Association, the Union of Metal Workers (*IG Metall*), or the German Machinery and Plant Manufacturing Association. The Act was initiated and adopted in Parliament, where its cross-cutting societal basis was reflected by a coalition across governing as well as opposition parties.

32. In order to fulfil its obligations in the area of climate protection, industry has opted for a voluntary self-commitment. In the 1996 Declaration by German Industry on Global Warming Prevention, 19 leading industry associations promised to reduce specific CO<sub>2</sub> emissions by 20% by the year 2005. As this target was already reached in 1999 (23 per cent reduction of specific CO<sub>2</sub> emissions), a new agreement was signed by industry and government in November 2000 aiming at a 28 per cent reduction of specific CO<sub>2</sub> emissions by 2005 and a 35 per cent reduction of the six greenhouse gases listed in the Kyoto Protocol. The targets may still be modest, but the activity of industrial associations connected with this agreement may stimulate innovations that lead to a larger potential of improvement. German industry now regards itself as a strong driving force of sustainable development.

#### *Transport*

33. The transport sector was for a long time resistant to sectoral policy changes beyond end-of-pipe measures. In order to overcome this resistance, in 2000 the new government formulated a specific CO<sub>2</sub> reduction target for the transport sector (15-20 million tonnes). It also increased the support for the railway system, intending to double its capacity. An Energy Strategy for Transport was formulated with the car industry (in parallel to the same EU initiative). One of its objectives is CO<sub>2</sub> reduction through better fuels and motor technologies. A significant tax reduction for fuel-efficient cars had already been introduced in 1997. A new environmental assessment scheme has been introduced for the Federal Traffic Route Planning System. The government plans a special duty on heavy goods transport on highways (DEM 0.25 per tonne kilometre). A special working group on Integrated Transport Policy, including all major societal groups such as environmental NGOs, was established within the Federal Ministry for Transport, Construction and Housing. "Integrated Transport Policy" is also the title of the present "Transport Report 2000" of the Ministry (BMVBW 2000). In this report, improvement of the environment is mentioned as one of ten priority fields.

34. In more general terms, the closer integration of the formerly separate systems of traffic route planning and spatial planning in the new Federal Building and Spatial Planning Act of 1997, and the subsequent merging in 1998 of the Federal Ministry for Transport with the Ministry of Construction and Spatial Planning, have improved the general conditions for a more integrated approach to spatial planning.

## *Agriculture*

35. In Germany, agricultural policy belongs mainly to the jurisdiction of the federal states (*Länder*). As in other countries, the German Ministry of Agriculture has long been closely linked to the farmer's lobby. As a result, it has – until recently – been opposed to claims for a more ecologically sustainable agriculture. In only two years these traditional structures were broken up and a rapid change took place.

36. The “red-green” coalition treaty of 1998 formulates goals such as the general expansion of environmental measures of the federal government in the field of agriculture, promotion of organic farming, extensive cattle breeding and the generation of renewable resources. Financial measures promoting ecologically sound production methods have been significantly increased. In March 2000 the peasant organisation published a Greenbook for Sustainable Agriculture and Forestry (*Deutscher Bauernverband 2000*), describing all relevant international environmental obligations and signalling some reorientation of this powerful actor. At the same time, the Ministry for Agriculture published a Draft Sustainability Strategy for Agriculture, Forestry and Fisheries in Germany. This was partly a response to the Cardiff Process, but mainly a position paper to influence the German Rio-plus-10 process, especially the development of a German sustainable development strategy.

37. The main “learning shock” in the direction of sustainability came, however, from the BSE crisis in December 2000, which led to the removal of the Minister for Agriculture (himself a peasant with close ties to the farmer's lobby) and the “green” Minister for Health Affairs. The crucial event was the publication of a joint “green” policy paper prepared by the Deputy Ministers of Agriculture and Environment, which was strongly opposed by the former Minister for Agriculture and also by the majority of federal states. The subsequent reorganisation of the former Federal Ministry for Agriculture into a new Ministry for Consumer Protection, Food and Agriculture led by a “green” Minister and the reorientation of this Ministry in the direction of extensive cattle breeding, organic farming and contractual nature protection, was explicitly supported by the German Chancellor. This reorientation is illustrated by new government targets such as an increase in organic farming by 20 per cent within ten years (instead of 2.5 per cent), a limit of two cows per hectare of farmland, and a ban on the preventive use of antibiotics in animal food.

**Table 1: Recent Environmental Activities of Non-Environmental Policy Sectors and their Main Driving Forces in Germany**

	<i>Sectoral Activities</i>	<i>Main Driving Forces</i>
<b>Energy</b>	Ambitious “Climate Protection Programme” comprising over 150 measures; Energy Agency established	Path-dependent development; new “red-green” coalition government; Kyoto mechanism
	Massive promotion of renewable energies	Strong support by a new societal alliance consisting of members of most parliamentary groups, environmental NGOs, business and peasant associations and trade unions
<b>Agriculture</b>	“Sustainable Development Strategy for Agriculture, Forestry and Fisheries” proposed by the Ministry (2000); promotion of organic farming  Restructuring of the Ministry for Agriculture, Forestry and Fisheries “Green” targets (2001)	Coalition treaty of the new “red-green” government  EU (Agenda 2000), “window of opportunity” for policy change created by the BSE crisis
<b>Transport</b>	“Energy Strategy for Transport” and “Integrated Transport Policy” proposed by the Ministry (2000); levy on heavy goods vehicles (planned); strong support for the railway system	EU  New “red-green” coalition government
<b>Construction</b>	Integration of construction and physical planning laws (1997); amendment of the Spatial Planning Act in order to include explicit reference to sustainability; comprehensive recycling of demolition waste	Change of former environmental minister Klaus Töpfer to Minister of Construction (1994)
<b>Development</b>	Active role in the UNCED (1992); bilateral environmental technology transfer together with industry	Rio Process
<b>Economic Affairs</b>	Rapid increase in voluntary agreements; “greening” of economic reporting	Path-dependent policy development; EU
<b>Finance</b>	Tax reduction for cleaner cars (1997); ecological tax reform (1998); “Programme for the Future”; several credit programmes	Social Democrat/“Green” coalition government plus path-dependent development
<b>R&amp;D</b>	Research support for SD	Path-dependent; “red-green” coalition government
<b>Health</b>	Action programme “Environment and Health”	“Red-green” coalition government
<b>Social Affairs</b>	Activities within the corporatist “Alliance for Labour and Training” (thematic dialogue “Labour and Environment”); reform of the Works Constitution Act ( <i>Betriebsverfassungsgesetz</i> ) to include environmental protection among the specific competencies of the works councils	“Red-green” coalition government

## B. INSTITUTIONS AND POLICIES

38. As has been shown in previous sections, Germany, contrary to most other OECD Member countries, has not yet developed an official national strategy for sustainable development. Similarly, Germany has been rather reluctant in creating new institutions or mechanisms to more strongly integrate sustainability objectives into national decision making. However, although a general institutional reorientation towards a coherent policy of sustainable development is still lacking, a number of – sometimes disjointed – initiatives and incremental changes in the institutional setting can be observed. This section summarises the main political driving forces and institutional arrangements which are relevant for sustainable development in Germany.

### *Federal involvement*

#### *Central government*

39. The Federal Ministry for the Environment has been the single most important institutional driving force for integrating environmental concerns into other sectoral policies. The different kinds of cross-sectoral environmental policy integration mentioned in *Table 1* cannot be explained without the strong activities of this Ministry. Until 1998 it was also the main actor responsible for elaborating a national strategy for sustainable development (see above). Although in the past two years formal responsibilities for developing a sustainable development strategy have been shifted to the Chancellor's Office, it can be expected that the Ministry for the Environment will continue to play a leading role in this process.

40. Following the 1998 elections, a detailed coalition agreement was set up by the Social Democratic and "Green" parties, including a number of sometimes ambitious institutional and policy measures to be adopted in the course of the four-year legislative period. Generally, it depicts a number of important short- and medium-term objectives for ecological modernisation and sustainable development. As the coalition agreement is widely regarded as an important measure for the success of the new "red-green" government and clearly has a higher relevance and visibility than previous government declarations, it can be seen as an important – albeit often underestimated – contribution to a policy of sustainable development in Germany.

41. Among the main measures outlined in the coalition agreement are the elaboration of a national sustainable development strategy, as well as institutional innovations to promote and organise the drafting of this strategy. In July 2000, the National Council for Sustainable Development was created by Cabinet decision. It is designed as an independent and pluralistic advisory body on sustainability issues and will be composed of 17 individual members representing all major societal groups and actors (e.g. industry, trade unions, NGOs, science) which – after some delay – were appointed in February 2001. Among its tasks are the promotion of societal debate on sustainable development at the national and international levels (stakeholder dialogue) and the development of concrete projects for implementing a national sustainability strategy. The federal government may assign further tasks to the Council and ask for statements on specific issues.

**Box 4: Procedural and Institutional Provisions of the Federal Government  
for the Formulation of a Sustainable Development Strategy (July 2000)**

- Strategy formulation as a task of the “Green Cabinet” (10 Secretaries of State)
- Annual report
- Leading role of the Chancellor’s Office
- “Instruction” to the policy sectors to develop their own strategy
- Council for Sustainable Development (15 members); primarily communicative functions
- Planned focus of the strategy: energy, mobility and agriculture
- Concrete practical examples

42. A “Green Cabinet” consisting of secretaries of state of 10 ministries and chaired by the Head of the Chancellor’s Office was created in July 2000 by Cabinet decision. Its main task is to co-ordinate governmental work on the sustainable development strategy and secure a stronger consideration of environmental and sustainability aspects in the decision making of the whole of government. The Green Cabinet is scheduled to begin its work in March 2001.

43. As both the Council for Sustainable Development and the Green Cabinet have not yet begun their work, it is difficult to assess their potential impact on the German strategy for sustainable development. However, it is generally agreed that their influence will depend to a large degree on the existence and extent of high-level government commitment and support to the goal of sustainable development and to the specific initiatives brought forward by these institutions.

44. Apart from these newly created institutional arrangements, a number of previous initiatives for promoting environmental policy integration, long-term policy orientation, or participation of major societal groups are worth mention. Mechanisms for horizontal policy integration include the already-mentioned Cabinet Committee on Environment and Health (1972), the Standing Committee of Directors General (StALA Bund) and Interministerial Committees (IMAs) which work on specific policy issues such as climate protection or waste management (for a more detailed account see Part A.).

45. Interministerial co-ordination of legislative proposals is regulated in the Joint Standing Orders of the Federal Ministers (*Gemeinsame Geschäftsordnung der Bundesministerien*) which have recently been revised in the course of a general initiative for the modernisation of the public sector. It regulates in detail not only the interministerial co-ordination in the development of legislative proposals, but also early participation of the *Länder*, local authorities and societal associations. A general impact assessment for legislative proposals (not only for environmental matters) has been made obligatory. The ministries are seen now in a more strategic, goal-oriented role, which includes general rules for cross-sectoral policy integration. The Ministry for the Environment sees its position improved by this administrative reform, although environmental matters are not explicitly mentioned in the Joint Standing Orders (BMI 2000).

46. In addition to these mechanisms of horizontal policy co-ordination, most ministries have created their own environmental departments. Although these departments regularly act as a sort of “bumper” in the negotiations between the environment and other ministries, in the long term they can be found to trigger environmental learning-processes within non-environmental ministries and act as important driving forces for the ecologisation of sectoral policies. Only recently, the Ministry for Economic Affairs has

formally extended the focus of its Department for General Affairs to cover sustainability issues; the responsible official is a leading representative of *Greenpeace*.

47. Already in 1994 the German Constitution (*Grundgesetz*) was amended to include environmental protection and responsibility for future generations as a national goal (article 20a). While with this constitutional amendment environmental protection is formally anchored as a general and cross-cutting policy objective to be addressed by all parts of government, it has so far had little direct and measurable impact on German policy making.

### *The role of Parliament*

48. The German Parliament (*Bundestag*) has played an important role in setting the agenda for the sustainability debate in Germany. In particular, the successive parliamentary Enquête Commissions have to a great extent created the knowledge base for a German strategy for sustainable development (see above). A similar contribution was made by the German Council of Environmental Advisors (*Rat von Sachverständigen für Umweltfragen*). Other institutional mechanisms for taking into account aspects of environmental protection and sustainable development at the parliamentary level are the Office of Technology Assessment (*Büro für Technikfolgenabschätzung*) and the Environmental Committee. While all parliamentary groups of the six political parties represented in Parliament have their own environmental working groups, only the Social Democrat and the Green parties have created working groups on sustainable development. In recent years, Parliament has repeatedly taken initiatives to speed up the process of formulating a national sustainable development strategy. The elaboration of such a strategy was decided by Parliament in 1998. Additional pressure has been exerted by means of parliamentary questions and conferences organised by the different fractions. However, following the Cabinet decision of July 2000, members of Parliament will not be part of the National Council for Sustainable Development and therefore will not participate directly in the preparation of a German sustainable development strategy.

### *Challenges at sub-national level*

49. In the German federal system legislative competencies in relevant areas of environmental policy such as air pollution control, waste management, noise and soil protection are located at the federal level, while in the fields of water and nature protection the *Länder* have a stronger position. Implementation of environmental legislation lies primarily within the responsibility of the *Länder*. The *Bundesrat* (the upper chamber of the German parliament) - as representative body of the federal states - has considerable influence on federal legislation. In policy sectors such as waste management and particularly in regulative policies which imply a high burden of administrative enforcement, the *Länder* try to retain some scope for action.

50. Regarding the vertical relationship between the federal and the sub-national level, the *Länder* can regularly be found to watch over their well-defined responsibilities. The main environmental policy co-ordination body between the *Länder* and the Federal Government, as well as among the federal states, is the Conference of Environment Ministers (*Umweltministerkonferenz – UMK*), which meets twice a year. As formulated in UMK protocols, sustainable development was adopted as a guiding principle of environmental policy in June 1997. In October 2000, the Conference of Senior Officials of Environmental Ministries requested the federal government to develop a national sustainable development strategy. This national agenda strategy should formulate goals and measures in selected priority areas. It should also take a cross-media and cross-sectoral approach, apply to all policy sectors and be combined with an indicator-based monitoring system. The horizontal relationship between the states can be described as moderately

competitive. This competition may result in a diffusion from one state to another of successfully practised policy measures in the same or a different form.

*Agenda 21 strategies, public consultation and agreements between business and State at the State level*

51. *Länder* governance for sustainable development in terms of institutional settings and policy measures began relatively late. It varies from one state to another. A number of states have recently started to develop Agenda 21 strategies while others, notably Bavaria and Lower Saxony, have already adopted such a programme. However, concrete approaches differ widely: Baden-Wuerttemberg and Rhineland-Palatinate have each developed an environmental policy plan, while Schleswig-Holstein has formulated a set of environmental goals. Additionally, some *Länder* have developed interministerial mechanisms for the horizontal integration of environmental goals into other policy sectors.

52. Public consultation at the state level has taken place in nearly all *Länder*; however, a minority regards decentralised Local Agenda 21 processes as sufficient. Hesse has bound public consultations at the state level to sectoral consultations, for example in the Alliance on Sports and Environment (*Sport- und Umweltallianz*).

53. Another approach concerns agreements between business associations and the state. These agreements, called “environmental alliances” (*Umweltallianzen*) or “environmental pacts” (*Umweltpakte*) aim at a new business-state partnership by changing the traditional command-and-control approach, which had long been characteristic of German environmental policy (Jänicke and Weidner 1997), to a more consensus-oriented policy style. They comprise environmental management activities and compliance audits according to the European Environmental Management and Audit Scheme (EMAS) at the company level, and direct control by environmental authorities is reduced.

**Box 5: Environmental “Pacts” or “Alliances” at the *Länder* level**

Since 1995, the German *Länder* have taken various initiatives to improve environmental management at the company level. Bavaria has been the front-runner, but most of the *Länder* have followed the Bavarian example by creating different types of state-business co-operation. Generally, these co-operations aim to introduce environmental management activities and compliance audits according to the European Environmental Management and Audit Scheme (EMAS) at the company level, while reducing direct control by environmental authorities. These reductions in direct environmental control include reporting duties and technical monitoring in the areas of waste, air and water regulations. The key aim of these initiatives is to reduce environmental compliance costs for those companies participating in environmental management systems, to make environmental regulations more calculable for companies, and to promote organisational improvements at the company level. It is planned to monitor most of these co-operations at the *Länder* level after one year. The Bavarian Environmental Pact was revised and updated in 2000. It was positively evaluated in particular because of its provision for a broad participation of business associations including industry, handicrafts and especially small- and medium-sized companies.

(<http://www.umweltministerium.bayern.de/agenda/wirtsch/pakt.pdf>).

54. Furthermore, some states have integrated sustainability principles and goals into spatial planning (e.g. Berlin, Brandenburg) or into state laws (Saxony-Anhalt). Nearly all federal states provide institutional capacities to support Agenda 21 processes at the municipal level. These newly instituted Agenda Offices are usually affiliated to state environmental ministries or other environmental authorities, for example the

State Office for Environmental Protection (*Landesanstalt für Umweltschutz*) in Baden-Wuerttemberg. Financial support for local Agenda 21 activities is provided in Hesse and North Rhine-Westphalia (NRW). So far, Hesse has the greatest number of local Agenda 21 initiatives, while NRW has the most advanced Agenda 21 processes at the local level.

### *Driving forces*

55. A number of factors have acted as driving forces for the approaches to sustainable development at the state level, including the European Environmental Management and Audit Scheme (EMAS) which gained importance in some states in the course of a more general reform of the public sector. This led to a number of business-state agreements at the state level; to locally and NGO-initiated bottom-up Agenda 21 processes, which gave impulses to sub-national levels; to the Rio-plus-10 deadline; and to ecological modernisation as the core of the “red-green” coalition agreement and government programme.

### *Local Agenda 21 processes in Germany*

56. Compared to other European countries, Germany has been described as a relative latecomer with regard to Local Agenda 21 initiatives (Eckerberg, Coenen and Lafferty 1999). In November 1996 the International Council on Local Environmental Initiatives (ICLEI) counted only thirty Local Agenda 21 initiatives across Germany (ICLEI 1997), whereas municipalities in countries like Sweden, the UK or the Netherlands were significantly more active in this field. In Sweden, for example, more than 60 per cent of local governments had started Agenda 21 processes by 1994 (Lafferty and Coenen 2000). As comparative analyses show, central government involvement is a key variable for explaining the diffusion of local initiatives. Institutionalised or systematic co-ordination and information dissemination; elaboration of guidelines and direct funding are important mechanisms for promoting Local Agenda 21 initiatives (Lafferty and Coenen 2000).

57. In Germany, early Local Agenda 21 processes originated by and large from non-governmental players such as environmental and development organisations, church and youth groups, and to a lesser degree from local politics. Rather seldom were they initiated by business associations (Zimmermann 1997). Since 1995, some *Länder* as well as national and international transfer organisations support local initiatives. Only after the Rio-plus-five Summit UNGASS in 1997 did federal and sub-national governance activities for sustainable development processes at local level increase significantly. Financial support was first provided in North-Rhine-Westphalia starting in 1996. It offered DEM 0.50 per citizen to each municipality for local initiatives (BMU and UBA 1999). Up to now the states of Hesse, Bavaria, Saarland, Lower Saxony and Schleswig-Holstein have introduced similar programmes. Since 1997, nearly all *Länder* have institutionalised some form of co-ordination office for Local Agenda 21 initiatives. At the federal level, Local Agenda 21 activities were supported through conferences, handbooks, studies and reports. As a result of these increased efforts, the diffusion of Local Agenda 21 processes has considerably quickened. In December 1999, 1,315 or nearly 10 per cent of all German municipalities officially worked towards the ratification of Local Agenda 21 programmes. By September 2000, the number of Local Agenda 21 initiatives had increased to 1,650 or 11.6 per cent of all German municipalities (<http://www.agenda-transfer.de>; last accessed 5 March 2001).

**Table 2: Sustainable Development Processes at the State Level**

	<b>Sustainable Development Programme</b>	<b>Agenda 21 Consultation</b>	<b>Business-State Agreement</b>
<b>Lower Saxony</b>	1996 Cabinet decision on initiation of SD programme 1997/1998 State programme “SD in Lower Saxony” 1999 Report to the Parliament	1997 Round Table Agenda 21	1998 Agreement
<b>Rhineland-Palatinate</b>	1995 Cabinet decision on initiation of SD programme 2001 Cabinet decision on Agenda Programme Rhineland-Palatinate	1996 Alliance for Sustainability	Co-operation contracts with e.g. chemical industry, handicrafts, etc.
<b>Bavaria</b>	1997 Cabinet decision on Bavaria Agenda 21	1996 Environment Forum Bavaria	1995 Environment Pact 1 2000 Environment Pact 2
<b>Schleswig-Holstein</b>	2000 Cabinet decision on initiation of SD programme 2001 Cabinet decision on prioritised sectors (planned) 2002 Cabinet decision on the SD programme (planned)	1995 Kiel Environment Declaration on Local Agenda 21 2002 Debate on prioritised sectors (planned)	1997 Environment Summit Kiel 1998 Agreement: state, industry and handicrafts
<b>Hesse</b>	1997 “Red-green” government initiates SD programme 2000 Christian Liberal government stops SD programme		2000 Environment Alliance Hesse
<b>Saxony-Anhalt</b>	1997 Cabinet decision on initiation of SD programme; Enquête Commission “Sustainable Saxony-Anhalt”	1997 Public debate	1999 Environment Alliance
<b>Saarland</b>	2000 Cabinet decision on initiation of SD programme 2001 Cabinet decision on government SD programme (planned)	Working Group Agenda 21	2001 Environment Alliance based on SD programme of government (planned)
<b>Baden-Wuerttemberg</b>	2000 Cabinet decision on Environmental Plan 2000	2000 Consultation on Environmental Plan 2000	1997-98 Environmental Dialogue Sustainable Baden-Wuerttemberg
<b>Berlin</b>	1999 Parliament decision on initiation of SD programme 2000 Senate decision on initiation of SD programme	2000 Agenda Forum	1999 Environment Alliance Berlin
<b>North-Rhine-Westphalia</b>	2000 Parliament decision on initiation of SD programme	2001 consultation (planned)	Environment Initiative NRW (steel industry)
<b>Hamburg</b>	2001 Ressort programme for the Environment Agency (planned)	1996 Future Council	
<b>Thuringia</b>	2000 Cabinet decision “10 Principles for the Implementation of Agenda 21 in Thuringia”	1999 Consultation on “10 Principles....”	Environment Initiative of Thuringia (industry)
<b>Brandenburg</b>		Round Table Berlin-Brandenburg	1999 Environment Partnership Brandenburg
<b>Bremen</b>		1996 Round Table Bremen	
<b>Mecklenburg-Western-Pomerania</b>	Scientific Council for a Sustainable Development Strategy		2000 Rostock Declaration on initiation of co-operation
<b>Saxony</b>			1998 Environment Alliance

### *Societal sustainability processes in the new Länder*

58. Governance for sustainable development in the new *Länder* has to deal with numerous societal reservations against the Local Agenda 21 approach, resulting from the profound political, economic and social changes of the last decade. The number of Local Agenda 21 processes in the new *Länder* (former GDR) is quite low. In September 2000 between 0.8 and 5.7 per cent of local communities in the New *Länder* and 3.2 to 54.6 per cent of local communities in the old *Länder* had taken up Local Agenda 21 processes (see *Tables 3 and 4* in Annex 1). However, the new *Länder* are lagging behind, and not only with regard to local Agenda 21 initiatives. A performance gap also exists in areas such as waste management, water protection, the treatment of contaminated sites, agriculture, land-use management and nature protection. Additionally, conflicts often arise between nature protection and economic projects. Thus public policy is challenged to enable societal sustainability processes and to integrate social, economic and environmental concerns at the same time (Flath, 2000: 23ff.). Emphasis needs to be placed on exploiting win-win situations and creating positive synergies between different environmental, social and economic objectives.

#### **Box 6: Sustainable Development Initiatives in Saxony-Anhalt**

Saxony-Anhalt regards environmentally friendly public procurement, public building management, ecological construction and measures targeting environmental friendly mobility as appropriate approaches where the public sector acts as a model (Häußler, 2000: 70 ff.). Voluntary agreements between government and business organisations set the framework for economic sustainability. They are expected to stimulate producer responsibility as well as learning and communication processes towards ecological modernisation. Some municipalities implement local environmental management systems to reduce both costs and negative environmental impacts.

### ***The role of the non-governmental sector***

#### *Business*

59. The network of industry and commerce associations in Germany ranges from umbrella organisations to specific sector organisations and *Länder* sub-groupings. Many have environmental committees focusing on environmental management standards and sectoral best-practice guidelines. They provide environmental information to their members and advise on legislative requirements.

60. The attitude of industry and trade associations towards environmental protection has changed very much over the last few decades, from simply opposing environmental regulation to a trilateral co-operative approach between government, industry and environmental organisations. Today, the situation of enterprises and their respective associations towards environmental policy is generally considered as ambivalent, with “green” enterprises and their ecologically oriented industry organisations emerging as new actors (Jänicke and Weidner 1997: 146). Additionally, the production of environmental protection technology has become a significant industrial sector and environmentally related employment has increased to an estimated 1 million jobs or almost 3 per cent of total employment (BMU 1998a: 24f.).

61. In the last few years, industry associations were instrumental in developing an increased number of industry-wide self-commitments or voluntary agreements. Currently, the Federation of German Industries estimates that a total of around 100 voluntary agreements in the environmental field exist in

Germany (BDI 2000). Within the European Union, only the Netherlands make greater use of this co-operative approach to environmental protection.

62. The Federation of German Chambers of Industry and Commerce (*Deutscher Industrie- und Handelstag*) comprises 83 regional centres. The central organisation is mainly concerned with promotion of the Environmental Management Audit Scheme (EMAS). Its Chambers of Foreign Trade, some of which include special “environmental area managers”, play an important role in the promotion of environmental technology transfer to Central and Eastern Europe, Asia and Latin America (BMU 1997a: 44).

63. The Federation of German Industries (BDI), the central umbrella association of 35 industrial branch associations, plays an important role in the field of climate protection. Together with other organisations, it signed a voluntary declaration in 1995 to promote the German national goal of a 25 per cent CO<sub>2</sub> reduction by 2005, which was updated in 1996 and further developed in 2000. Generally, the BDI considers German industry to have taken a leading role in the Kyoto process.

64. In July 2000, the BDI founded a Forum on Sustainable Development, consisting of eighteen prominent companies represented by their CEOs. This forum shall function as the German industry’s think tank for sustainable development, develop strategies for key sustainability issues and engage in the general sustainability debate. Active participation in the elaboration of a German strategy for sustainable development is considered a “central task” by the BDI.

65. In November 2000, the Federation of German Industries, together with the Ministry for the Environment, Nature Conservation and Nuclear Safety, initiated a Foreign Direct Investment Initiative as an institutionalised dialogue process for preparing the Rio-plus-10 Summit. It aims at an ecologisation of foreign investment of German industry. The Ministries of Economic Affairs and Development will be included in the dialogue network as well as environmental and other organisations.

### *Trade Unions*

66. The German Trade Union Association *Deutscher Gewerkschaftsbund (DGB)* is an umbrella organisation embracing 11 individual trade unions, including the Union of Metal Workers (*IG Metall*), the largest German workers’ association and the Industrial Union for Construction, Agriculture and Environment (IG BAU). By the end of 1999, total membership of the trade unions organised in the DGB was over 8 million. The DGB adopted its first environment programme in 1974 and the second environment programme on “Environmental protection and qualitative growth” in 1985. Since 1981, environmental protection is part of the DGB’s guiding principles (*Grundsatzprogramm*). The latest version of the *Grundsatzprogramm* (November 1996) argues for a social and ecological reform strategy to reach the goal of sustainable development. The question of how to deal with environmental issues is controversially discussed in the trade unions, but at least in parts of the unions there is a continuous effort to integrate social and environmental demands with regard to the demands of sustainability (Krüger 2000).

67. In 1999, the DGB began an initiative to integrate environmental concerns into the Alliance for Jobs (*Bündnis für Arbeit*), a “neo-corporatist” structured dialogue between government, trade unions and industry which was initiated in 1996 and relaunched in 1998, focusing on employment, education and training, and competitiveness. In a position paper, the DGB listed almost eighty proposals for linking employment measures with environmental protection (DGB 1999). Two of these initiatives, the energetic renovation of buildings (*Box 4*) and an initiative to promote export of German environmental protection technology, have already found their way into the Alliance for Jobs.

68. Finally, in February 2001, the Federal Minister for Labour and Social Affairs adopted a reform of the Works Constitution Act (*Betriebsverfassungsgesetz*) to include environmental protection among the

specific competencies of the works councils. This can be seen as an important step in extending the institutional provisions for workers' participation in the environmentally relevant decisions taken at the company level.

### **Box 7: Turning Talk Into Action – Energetic Renovation of Buildings**

Within the Alliance for Jobs (*Bündnis für Arbeit*) – a structured dialogue between government, the unions, industry, as well as other societal associations – an ambitious programme for the energetic renovation of buildings was decided at the end of 2000. The programme, which was developed within a working group on the employment potentials of environmental protection measures, aims primarily at improving the heat insulation of old buildings and at replacing inefficient heating systems. Starting in January 2001 with a total expenditure of DEM 2 billion, the programme will offer credits for the energetic renovation of buildings of up to DEM 10 billion at a favourable rate of interest over a period of 5 years. The programme is conducted by the German Reconstruction Loan Corporation (*Kreditanstalt für Wiederaufbau*) and is expected to reduce CO<sub>2</sub> emissions by 2 million tons per year and create around 90,000 new jobs (BMU press release of 8 December 2000).

#### *The German Peasant Organisation (Deutscher Bauernverband)*

69. The powerful German Peasant Organisation (*Deutscher Bauernverband* – DBV) has traditionally been a strong opponent of the comprehensive integration of environmental considerations into agricultural policy. In recent years, and due to a number of factors such as WTO obligations, new EU policy initiatives (Agenda 2000) and the Cardiff Process, this has somewhat changed. The “Greenbook for a Sustainable Agriculture and Forestry” published in 2000 by the DBV (see Part A.) has the ambitious subtitle: “The German Agriculture and Forestry as a Model of Sustainable Development” (*Deutscher Bauernverband 2000*). Among other factors, it has been elaborated in order to set the agenda for the forthcoming German strategy for sustainable development and for the activities of the German Council for Sustainable Development where the agricultural sector is represented.

70. In the wake of the BSE crisis the organisation was partly criticised by its own members and seems to have lost much of its former power. The new “Green” Minister for Consumer Protection, Food and Agriculture was accepted by the DBV without much resistance and a new, more co-operative attitude towards environmental and sustainability issues seems possible. In our interviews the organisation stressed its constructive attitude. According to the concept of “multifunctionality”, agricultural activities beyond food production were stressed, such as protection of nature, landscape, soil and groundwater. But such services should not be free of charge for society. Organic farming is not rejected, but seen as a problem of marketing. The activity of the state of North-Rhine-Westphalia supporting the marketing of products from nature protection areas was welcomed as an example of best practice. At the same time, the “ecological side” was asked to consider the difficult economic situation of German peasants (problem of depopulation of the rural area). Generally, the DBV favours voluntary agreements on nature protection measures rather than administrative interventions. The EU Natura 2000 process was mentioned as an example of a bureaucratic, non-participatory policy style; for that reason, it was not widely accepted in rural areas.

#### *Environmental NGOs*

71. Germany has a complex network of organised interest groups in the environment sector. Between 5 and 7 per cent of the population are organised in environmental NGOs. The number of environmental groups is estimated at a total of 400. Environmental organisations have been a strong driving force, both for environmental policy integration and a German strategy for sustainable development. The BUND, the

German section of Friends of the Earth (230,000 members), together with the umbrella organisation The German Nature Conservation Council (*Deutscher Naturschutzring* – DNR; 5.2 million members) supported the idea of a German Environmental Policy Plan in the 1998 election campaign. The DNR comprises 108 member organisations and is funded by membership fees, institutional support from the German Ministry for the Environment, Nature Conservation and Nuclear Safety, project funds, donations, and fines. As a member of the European Environment Bureau (EEB), DNR co-ordinates the German NGO activities at the EU level. The *Grüne Liga*, a network of local initiatives in the new *Länder*, is quite active in Local Agenda 21 processes. In 1996, two prominent NGOs, BUND and Misereor, published a study entitled “Sustainable Germany”, which initiated a broader public debate on sustainable development (BUND/Misereor 1996). The study had a significant impact in stimulating public debate on sustainable development in Germany (Beuermann 2000: 90). In particular, the four largest organisations (BUND, Greenpeace, NABU, WWF) have been engaged in sustainable development initiatives at the federal level through representatives at conferences and workshops, and in the working groups during the planning process for the draft programme for sustainable development in 1998. By publishing background papers and press reports, these organisations promoted the idea of sustainable development and pushed strongly for the elaboration of a new sustainable development strategy. Three representatives of environmental organisations (DNR, NABU, BUND) have been invited to participate in the work of the newly established Council for Sustainable Development.

### C. DECISION-MAKING MECHANISMS

#### *Integration at federal level through environmental monitoring and reporting*

72. An important precondition for policy making is the availability of comprehensive and reliable data (e.g. on the state of the environment), as well as the development of performance indicators and effective monitoring systems. In Germany, comprehensive environmental reporting dates back to 1984, when the Federal Environment Agency (*Umweltbundesamt*) first published its national environmental data report (*Daten zur Umwelt*). Periodic reports issued by the Federal Office for Nature Conservation (*Bundesamt für Naturschutz*) and the four-yearly Environmental Report of the Federal Ministry for the Environment are other central sources of environmental information at the federal level. Moreover, the statistical yearbook published by the Federal Statistical Office (*Statistisches Bundesamt*) includes a wide range of environmental data. Finally, the proposal for a new Nature Protection Act foresees the introduction of regular environmental observation (*Umweltbeobachtung*).

73. A conclusive set of indicators for sustainable development has not yet been developed in Germany. However, important steps have been taken in the development and operationalisation of environmental indicators. Since 1989, the Federal Statistical Office has been developing an Environmental Economic Account (*Umweltökonomische Gesamtrechnung*), which integrates into the economic data environmental burdens such as emissions, utilisation of materials and energy and pressures on soils. In 1990, the Federal Ministry for the Environment appointed a scientific advisory council to work on refining the Environmental Economic Account. In its 1998 draft programme “Sustainable Development in Germany”, the Ministry for the Environment proposed the introduction of an Environmental Barometer (*Umweltbarometer*). Its aim is to create an environmental equivalent to the already-existing aggregate indicators in the economic and social sphere, such as gross national product, unemployment rate or rate of inflation. The environmental indicators included in the Environmental Barometer are intended to cover the most important issues of environmental protection and align them with key environmental medium- and long-term targets. Six indicators have been formulated for the fields of climate, air, soil, water, and use of energy and raw materials. Environmental developments can be described and the success or failure of environmental policy can be measured by means of a small set of widely known and easy-to-understand indicators (BMU 1998c). Although the draft programme “Sustainable Development in Germany” has never

been formally adopted by Cabinet or parliamentary decision, the Environmental Barometer and the underlying environmental goals have been published in the Federal Government's Economic Reports of 2000 and 2001 (see above). Based on the Environmental Barometer, the Federal Environment Agency has developed the German Environment Index (*Deutscher Umwelt Index* – DUX), which links the indicators of the Environment Barometer to the main goals of German environmental policy and calculates goal attainment in one single numeric value. The DUX, which is updated regularly and published on the Internet pages of the Federal Environment Agency, can reach a maximum of 6,000 points, indicating that all major environmental goals have been attained. In October 2000, the DUX was calculated at 1,505 points, with a maximum of 692 points in the field of air pollution control and a minimum of minus 11 points for soil protection (<http://www.umweltbundesamt.de/dux-e/dux.htm>).

### ***Integration across levels of government***

74. Besides the mechanisms for horizontal policy integration described above, effective vertical policy integration plays an important role in a federal system where legislative competencies are divided among central and state governments. Vertical co-ordination of environmental policies is carried out mainly by the Conference of Environmental Ministers (*Umweltministerkonferenz* – UMK) which brings together the environment ministers of the *Länder* and the Federal Minister for the Environment. The UMK is paralleled by *Länder* Working Parties (*Länderarbeitsgemeinschaften*), which co-ordinate state and federal policies in specific issue areas such as waste and water management, air pollution control or nature conservation. However, a significant handicap for better integration of environmental concerns into sectoral policies could be the fact that many of the non-environmental ministries are well co-ordinated among all *Länder* and with the Federal level – for example, by means of planning institutions for joint funding mechanisms (*Gemeinschaftsaufgaben*). In comparison, environmental administrations have a less formal consultation and co-ordination structure.

75. The federal states have developed their own, sometimes original, approaches to sustainable development. While most *Länder* have focused on developing state programmes for sustainable development, environmental pacts or environmental alliances with industry and trade have surged in states such as Bavaria or Saxony-Anhalt. In addition, many states have introduced institutional mechanisms for promoting local Agenda 21 processes (see above). Finally, the upper chamber of Parliament (*Bundestag*) plays an important role in developing legislative initiatives for sustainable development.

### ***Improving participation of civil society***

#### *The elaboration process of a national sustainable development strategy*

76. A Working Group on Environmental Protection (AGU) was created in 1970 as a dialogue forum between government and different societal actors on environmental matters. In 1991, a National Committee was created by the Federal Chancellor to ensure participation of all major societal groups in the preparation of UNCED. The Committee comprised thirty-five representatives from all major societal groups including Parliament, political parties, environment and development organisations, science and research institutes, industry and commerce, trade unions, agriculture, churches, *Länder* and local governments. In 1994, it was renamed National Committee for Sustainable Development (*Nationales Komitee für Nachhaltige Entwicklung*) and chaired by the Federal Minister for the Environment (BMU 1997a). The Committee met two or three times a year; however, in practice, high-level representatives of the major groups often did not attend its meetings. Its actual significance, therefore, was rather limited (Beuermann 2000). Despite various attempts to reanimate the Committee, it was finally dissolved in 1998.

77. In June 1996, the Federal Ministry for the Environment, Nature Protection, and Nuclear Safety launched the so-called “Step Process”. This discussion process was intended to place the dialogue with business and societal actors on a new level of quality (BMU 1998a). Initially, the Ministry for the Environment published a discussion paper entitled “Steps towards sustainable development: environmental objectives and action priorities for Germany” (BMU 1996). The paper proposed six priority fields for action: protection of the climate and ozone layer; preserving the ecological balance; reducing the impact on resources; safeguarding human health; environmentally compatible forms of mobility; and promoting environmental ethics.

78. Accordingly, six working groups were set up to stimulate discussion in society on approaches to sustainable development and “to arrive at a consensus on the priorities for action by engaging in a constructive dialogue with all the parties responsible” (BMU 1997a: 16). Representatives of all major groups participated in these working groups and attended regular meetings. In June 1997, the results were published in an interim report and presented at a public workshop (BMU 1997b, 1997c). The workshop was attended by high-level officials from various industrial associations, trade unions, environmental NGOs, and other organisations. The reports of the working groups and the podium discussion showed clearly that the process of dialogue had not achieved its main objective, i.e. to transcend the old rigid antagonisms. The working group papers showed open dissension between industry and other groups on a number of environmental issues. The discussions in the working groups on mobility and on natural resources (BMU 1997c) were particularly controversial.

79. As a follow-up, the Ministry for the Environment elaborated a draft programme “Sustainable Development in Germany” (BMU 1998a), which formulated ambitious quantified objectives in five environmental priority areas and proposed a set of headline indicators (Environmental Barometer) to monitor progress. However, a major shortcoming of this process was the fact that the programme was neither co-ordinated with other ministries nor formally adopted by either the Cabinet or Parliament. Following its publication, it was harshly criticised by the Ministries of Agriculture, Transport, and Economic Affairs (Hustedt 2000). After the 1998 elections, the draft programme was not taken up by the new government. However, the Environmental Barometer and some of the main goals formulated in the programme have been published in the Federal Government’s Economic Reports of 2000 and 2001 and have therefore been – at least indirectly – adopted by government.

80. In 1998, when the new Social Democrat/“Green” government announced the elaboration of a national strategy for sustainable development, it was welcomed by all major societal groups. Most NGOs, however, criticised the slow pace of the process. The newly created institutional structure (Green Cabinet, Council for Sustainable Development) is generally considered to be appropriate, and the leading role of the Chancellor’s Office in the process is regarded as particularly positive. Some criticism was directed towards the planned focus on energy and mobility. Both topics are considered to be central for sustainable development, but some NGOs argue for a broader scope of the strategy (e.g. NABU 2000). This argument was reiterated in the parliamentary decision on the sustainable development strategy of December 2000 (German Bundestag, BT-Drs. 14/4606). It called upon the government to include further topics as parts of the strategy for sustainable development, and mentioned the following additional themes: nature conservation and biodiversity; construction, housing and urban settlement; environment, health and nutrition; sustainable rural development; sustainable economy; international co-operation and development; sustainable patterns of consumption and lifestyle, in particular water management.

#### *Institutionalising civil society participation*

81. Institutional provisions for improving public participation in environmental decision making and broader questions of sustainable development include the above-mentioned creation in 1970 of the

Working Group on Environmental Issues (*Arbeitsgemeinschaft für Umweltfragen*), the establishment in 1991 of a National Committee (*Nationales Komitee*) for sustainable development and in 2000 the Cabinet decision to set up a National Council for Sustainable Development (*Rat für Nachhaltige Entwicklung*). All these institutions serve (or have served) as pluralistic fora for societal debate on environmental and sustainable development issues.

82. Participation of non-governmental actors in environmental rule making was to some extent formalised through the Federal Emissions Control Act of 1974 (§ 48). However, during the 1990s, participation rights were somewhat restricted by a bundle of legal amendments (so-called “streamlining laws” – *Beschleunigungsgesetze*), aimed at accelerating the licensing of industrial plants and larger infrastructure projects (Jänicke and Weidner 1997: 141, 149).

83. While some *Länder*, such as Lower Saxony or Brandenburg, already allow for NGO standing in court cases (*Verbandsklage*), federal government has taken up this issue only recently in its proposal for the new Nature Protection Act.

84. The Environmental Information Act of 1994 entitles all citizens to access to the environmental information kept by environmental authorities. In practice, however, authorities are often rather reluctant to grant access to environmental information.

85. In recent years, a number of public dialogues have been initiated, embracing more than one dimension of sustainable development. These include the Alliance for Jobs (*Bündnis für Arbeit*), with its thematic dialogue on Employment and Environment, and the Foreign Direct Investment Initiative, launched in November 2000 by the Ministry for the Environment and the Federation of German Industries (BDI). The latter is a dialogue process aimed at developing environmental guidelines for foreign direct investment and promoting the transfer of environmental best practice to developing countries.

## **D. LEARNING FROM THE GERMAN EXPERIENCE**

86. As described above, Germany has not yet formulated a national strategy for sustainable development. Policy outcomes of the strategy cannot be evaluated so far. Our report, therefore, is strongly focussed on the policy formulation process. However, apart from the sustainable development strategy there are other policy mechanisms and traditions often leading in the same direction. They cannot be ignored and are part of our evaluation.

### ***Strengths***

87. There is a clear contradiction in Germany between the late, slow – and probably weak – process of implementing the concept of sustainable development and a much stronger – path-dependent – environmental and climate policy. Also, a general tendency to integrate environmental concerns into different policy sectors can be observed – as shown above – in the majority of the policy sectors and ministries. This process of environmental policy integration has its own dynamic and tradition and is clearly more influential than the German sustainable development process.

88. In the field of energy and climate policy, Germany has become an international front-runner, with a high and increasing motivation even within industry. Here a well-functioning model has been developed and put into practice, consisting of the following key elements:

- high-level political commitment for the formulation and implementation of ambitious goals (Cabinet, Chancellor);

- integration of environmental policy objectives into other sectors (Interministerial Committee on Climate Protection; strong institutional role of the environmental ministry);
- voluntary agreements;
- pioneer activities of local communities; and
- broad public participation.

89. The scientific demonstration of the problem of climate change and the knowledge base provided by a special enquête commission of the *Bundestag* has been an indispensable condition of its success. Contrary to the partly competing understandings of sustainable development, the problems and the relevant goals in climate protection policy were very clear and led to the strong motivation of all actors involved.

90. Environmental policy in general has also at a relatively early stage been connected to social and economic aspects such as employment, technology and competitiveness. Here, a link can be found between German environmental policy and the broader international debate on sustainable development. This could be the entry point to a broader definition of sustainable development. An important driving force of environmental policy integration can be seen in the Social Democrat/“Green” government coalition with its programme of ecological modernisation, which is an innovation-oriented concept aimed at integrating environmental considerations into a wide range of different policies. An illustration of this were the recent and far-reaching changes in the agricultural sector which were triggered by the BSE crisis, but would probably have been less radical under the previous government.

### *Weaknesses*

91. The late and slow process of formulating a national sustainable development strategy must of course be seen as a weakness of the German approach to implementing the guiding principle of sustainable development. Also, the *Länder* started late in developing their own sustainable development strategies. So far, Germany has shown little motivation to implement the EU Cardiff process of policy integration. The capacity for strategic action seems to be lower in Germany than in many of the smaller EU member countries. This has partly to do with the federal structure of the political system, creating problems of multi-level co-ordination. The different party composition of the upper and lower houses of Parliament and the confrontational policy style between both (“left” and “right”) party blocks creates additional difficulties. The structural conservatism of the “old economy” (e.g. coal mining), together with the parties’ strong regional power, is another restrictive factor.

92. Furthermore, there is a clear lack of problem-oriented long-term environmental prognoses, comparable to existing prognoses in fields such as public expenditure or social policy. Planning institutions – comparable to the strong Planning Division of the German Chancellor’s Office in the early seventies or the Central Planning Bureau (CPB) in the Netherlands – do not exist at the moment in Germany.

93. A major weakness of the German situation has to be seen in the general lack of a clear and widely supported goal structure for sustainable development and the subsequent lack of a clear and positive orientation for the relevant actors. The term sustainable development – and especially its concrete implications for political and societal action – is unknown to the large majority of the public and has so far failed to trigger any interest by the media. Unlike environmental issues, sustainable development – especially in its broad definition – clearly lacks institutional and organisational support. As argued above (Part A.), no societal pressure groups exist regarding the broader concept of sustainable development. Rather, this concept is regularly used by different societal actors as a flexible catchword in order to pursue their own interests and goals.

94. Finally, there is a clear contradiction between the responsibility taken on by the Chancellor's Office and the actual lack of political leadership in this institution.

## CONCLUDING REMARKS

### *Main recommendations*

95. The following lessons can be drawn from the German case study on governance for sustainable development:

- Provide a clear scientific input on problems that have to be solved. Problems of unsustainable developments should be demonstrated in long-term business-as-usual prognoses for different policy sectors. Communicate the results to the general public as well as to relevant interest organisations to raise the necessary awareness.
- Develop a clear, widely accepted and operational definition and goal structure for sustainable development. The crucial question may be whether concepts of economic and social sustainability are brought into the debate in such a way as to restrict far-reaching environmental goals and measures (a tendency which has long been criticised), or whether synergies and win-win solutions are the central theme of the broader concept of sustainable development. This is mainly a question to be addressed to the environmental divisions of the non-environmental ministries which – even in our interviews – defined themselves in the role of “watch-dogs” in respect of the Ministry for the Environment, thus using the broad definition of sustainable development.
- The strength of the German approach so far is the path-dependent focus on ecological sustainability (as defined by the four management rules put forward by the first parliamentary Enquête Commission “Protection of Man and Environment”). This strength can also be observed with regard to environmental integration (see *Table 1*). The relatively successful environmental strategy should form the basis of a German strategy for sustainable development. The sustainable development strategy should be an extension and step-by-step enlargement of the environmental strategy, rather than replacing it, towards a broader understanding of sustainable development. As in other OECD countries (the Netherlands, Spain, Denmark), environmental integration should be at the core of the strategy, at least in the first phase of the process. This is also the proposal of the German Council of Environmental Advisors (SRU 2000).
- The relatively successful German climate-protection strategy could serve as a model for the broader strategy for sustainable development. As shown above, the key elements of this climate-protection strategy are: high-level political commitment for the formulation and implementation of ambitious goals; integration of environmental policy objectives into other sectors; voluntary agreements; pioneer activities of local communities; and broad public participation.
- Non-environmental policy sectors should be mandated to develop their own sectoral strategies. The leading role of Cabinet – or the “Green Cabinet” – should be clear and accepted by all ministries. This should include a critical evaluation of both the formulation of sectoral strategies and their implementation. The Federal Environment Agency and the Ministry for the Environment should play an important, mainly supportive, role in this

process (so far these institutions have been rather cautious and have adopted a policy of “wait-and-see”).

- The sectoral strategies for sustainable development should rely as little as possible on cross-sectoral co-ordination. Instead, the sectoral ministries should introduce pluralistic bodies and monitoring mechanisms for the early “internal” discussion of their sectoral sustainable development strategies. In doing so, clear sectoral responsibilities for the results of the sectoral strategies shall be established.
- At the local level, general orientation for Agenda 21 processes, for example in the form of a competitive investment programme for local sustainable development initiatives (as practised in Sweden), should be provided.

## ANNEX 1

### LOCAL AGENDA 21 PROCESSES IN THE OLD AND NEW LÄNDER

**Table 3: Local Agenda 21 Processes in the Old Länder<sup>1)</sup>**

State	Percentage of Municipalities with Local Agenda 21 Processes
Hesse	54,6
Saarland	53,4
North Rhine-Westphalia	50,8
Bavaria	24,9
Baden-Wuerttemberg	23,7
Lower Saxony	8,8
Schleswig-Holstein	3,2
Rhineland-Palatinate	3,0

**Table 4: Local Agenda 21 Processes in the New Länder<sup>1) 2)</sup>**

State	Percentage of Municipalities with Local Agenda 21 Processes
Thuringia	5,7
Mecklenburg-Western Pomerania	2,7
Brandenburg	1,8
Saxony-Anhalt	0,8

	>50% of municipalities with Local Agenda 21 processes
	>20% of municipalities with Local Agenda 21 processes
	<10% of municipalities with Local Agenda 21 processes

Source: Homepage of the Clearing House for Applied Futures - CAF/Agenda-Transfer (<http://www.agenda-transfer.de>; last accessed 5 March 2001)

- 1) Excluding the city-states of Hamburg, Bremen and Berlin
- 2) Data on Local Agenda 21 processes in Saxony not available

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