

## **Communication**

### **of the Parliamentary Advisory Council on Sustainable Development**

**Statement of the Parliamentary Advisory Council on Sustainable Development on the Indicator Report 2014 entitled “Sustainable Development in Germany” by the Federal Statistical Office of Germany**

**and**

**Expectations towards the 2016 progress report on the National Sustainability Strategy**

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## I. Sustainable development and how it is managed

In spite of all the progress made in recent years, the Indicator Report 2014 by the Federal Statistical Office shows that key targets of the National Sustainability Strategy have still to be attained and that it is either uncertain or in some cases nigh on impossible for them to be achieved by 2020. The reasons for this are varied and highlight an urgent need for action. Only if efforts are stepped up can the targets the government has set itself be achieved.

For the upcoming next development phase of the sustainability strategy, it is not just a question of updating targets or indicators. The “2030 Agenda for Sustainable Development” adopted on 25 September 2015 by the United Nations and the 17 global Sustainable Development Goals or SDGs it sets forth place higher demands on German sustainability policy. The implementation of the SDGs in Germany is to take place within the framework of the National Sustainability Strategy, as it provides a functioning institutional framework already in place. Germany will have to provide credible proof that sustainable development is possible without having to sacrifice quality of life or prosperity.

The Parliamentary Advisory Council on Sustainable Development (*Parlamentarische Beirat für nachhaltige Entwicklung* - PBnE) therefore calls for:

### 1. Improved cooperation between the players

The Federal Government should step up its efforts to ensure better interaction between the different parties. This includes efficient and effective coordination between the different government departments under the leadership of the Federal Chancellery. Far too often the impression arises that the targets contained in the National Sustainability Strategy are tailored to the remit of each department with the result that a holistic sustainability vision, and as such parts of the sustainability strategy, too, fall short. At the same time, findings from the initiatives of the different government departments, such as Education for Sustainable Development, the Charter for the Future, the CSR (Corporate Social Responsibility) Forum, the Biodiversity Strategy and the Action Programme on Business and Human Rights should be harnessed when implementing the global sustainability goals.

In addition to this, the Federal Government should continue to advocate and work towards better cooperation with the *Länder* (federal states) and local governments. Many targets in the sustainability strategy and the SDGs have to be achieved by measures at this level first and foremost. This requires a structured dialogue between the Federal Government, *Länder* and municipalities. Furthermore, additional structures to implement the sustainability strategy will have to be created at these levels.

Finally, the Federal Government must not relent in insisting that the European Sustainability Strategy be bolstered and developed further to systematically include the global Sustainable Development Goals. This is also the prerequisite *inter alia* for improved vertical coherence when transposing these into the European Member States' national sustainability strategies. The PBnE supports the endeavours by the Federal Government in this vein.

### 2. Improving sustainability impact assessment in the scope of regulatory impact assessment

The formal appraisal carried out by the PBnE of the sustainability impact assessment in the scope of the regulatory impact assessment in accordance with Section 44 (1) of the Joint Rules of Procedure of the Federal Ministries (*Gemeinsame Geschäftsordnung der Bundesministerien* - GGO) has repeatedly brought shortcomings to light. Repeated requests for examination were made because the presentation of the sustainability impact assessment was lacking or key aspects had been neglected. Whilst it is true that impact assessments can by no means replace a political decision, they do, however, enable conflicts of aims to be appraised, generate greater transparency and facilitate the search for alternatives if required. In light of this, the examination mechanism should be afforded greater importance because it can make a crucial difference in securing better regulation to promote sustainable development. The Federal Government should examine how quality, transparency and the systematic nature of the regulatory impact assessment can be improved. Furthermore, the Advisory Council is examining the possibility of expanding it to include a substantive examination.

### 3. A qualitative and ambitious implementation of the global Sustainable Development Goals

The implementation of the global Sustainable Development Goals in the scope of the National Sustainability Strategy is an opportunity to realign our German sustainability policy – whilst at the same time preserving and further developing the strategy's successful targets and indicators.

During this transformation process, the government's own ambitious national goals should be upheld; at the same time Germany should demonstrate its ability to recognise the need to develop further when it comes to individual topics, such as the area of sustainable production and consumer behaviour, and as such see itself as a “developing country”. This means that individual targets in the current set of indicators can by all means be replaced in the course of the implementation process. Irrespective of this, the PBnE states its support for including new targets in the updated National Sustainability Strategy on the issues of combatting poverty and inequality, protecting the oceans, ensuring the quality and security of water supply and on the aforementioned promotion of sustainable consumerism. In this context, it is also crucial not to fall behind on international commitments. Against this backdrop, expanding the current 38 national sustainability targets to include 169 global sub-targets would not be very helpful. What is required is targeted implementation of the SDGs by means of a revised National Sustainability Strategy which continues to enable political steering of the targets and is manageable and communicable. – In cases where the existing targets of the National Sustainability Strategy continue to apply, they should be rolled forward to 2030 wherever possible and at the same time their impact on better regulation in relation to the regulatory impact assessment should be taken into account.

### 4. Broad-based participation and improved public relations

The process to update the 2012 strategy and the ensuing implementation of the global Sustainable Development Goals must take place with the systematic, broad-based inclusion of interested groups, civil society players, government departments and the PBnE. This will allow headway to be made in implementation in all political areas and the acceptance and credibility of the aim of sustainable development to be enhanced.

At the same time it is important to step up public relations activities. The implementation process requires the greatest transparency possible if it is to enjoy broad social acceptance; sustainable development must be understood as a joint effort by the whole community which requires the concerted action of all relevant players and the inclusion of broad sections of society.

### 5. A clearly visible role as pioneer

Germany as a whole, and above all its political institutions and their administrations should lead the way forward. This holds true for the German Bundestag, the Federal government and its departments and agencies, but also for companies in which the government has a stake. The *Programme of Sustainability Measures – translating sustainability into concrete administrative actions*, updated in 2015, demonstrates the Federal Government's willingness to act. Now this must be systematically put into practice and the experience gained whilst doing so must be communicated to the public effectively. Furthermore, enterprises owned or partly owned by the state should apply the German Sustainability Code. Overall, in political decisions it is a matter of visibly putting the aim of sustainable development at the heart of the ensuing debates.

## II. Assessment of the indicators

In terms of the 2012 Progress Report, it must be noted that many developments have since stagnated. The PBnE therefore refers to the Statement it published on this (Bundestag printed paper 17/11670).

### 1. Overview

The Indicator Report 2014 that is focussed on here shows some positive trends, such as in the expansion of renewables, the reduction of public financial debt and raising the level of employment. These are contrasted by negative developments, however, in the fields of species diversity, mobility, general government debt and investments in the future. Action is required here. In the area of climate protection, the current upward trend in greenhouse gas emissions is compromising past progress. Beyond this, there are many targets which may be going in the right direction, but too slowly. In the area of energy and raw material productivity, primary energy consumption, environmentally friendly farming, equality and land use this means further efforts are required to attain the goals.

## 2. Evaluating the status of implementation

### A – INTERGENERATIONAL EQUITY

#### *Resource conservation – using resources economically and efficiently*

##### **Indicator 1a, b – Energy productivity and primary energy consumption**

The goal is to double energy productivity between 1990 and 2020 and in 2014 the figure achieved was 155.8%. The target for primary energy consumption is for it to be lowered to 76.3% by 2020 and to 47.7% by 2050; in 2014 the figure was 87.9%. After an initially positive trend, both indicator figures have only improved minimally since 2007, making considerable efforts necessary if the targets are to be achieved. Gains in efficiency – first and foremost in industry – have been largely cancelled out by a new increase in absolute consumption. Rebound effects are clearly being felt in consumption by private households, that is to say gains in efficiency are being cancelled out either completely or in part. Energy savings in private households are being negated in sum by people buying new items which consume more energy (for instance due to the size of housing, which has grown over the years). It should be borne in mind that the indicator does not include the energy consumption of imported goods and finished parts.

The PBnE calls for more effective strategies to counter rebound effects and the swift expansion of renewable energy sources which include the *Länder* and municipalities as well as citizens to a greater extent, also in order to promote climate protection.

##### **Indicator 1c – Raw material productivity**

After an initially positive trend, raw material productivity has stagnated for many years now. The figure of 147.8% in 2013 means that the plan to double productivity between 1994 and 2020 can only be attained with significantly greater efforts. The presentation of indirect imports in the chart shows that Germany will have to do more to champion the raw material efficiency of imported goods and finished parts, too. The German resource efficiency programme (ProgRess) contains good analyses and examines the entire value creation chain. The specific measures must be developed further, however, to become effective. Now a proposal for *ProgRess2* is on the table, which will be discussed over the coming months.

The PBnE calls for product responsibility to be extended so that the high recyclability of raw materials is taken into account during manufacturing. This requires effective measures as part of a comprehensive product policy (eco-design) and a new Act on Recyclables. Furthermore, during the extraction of resources, human rights, environmental and social standards also need to be taken into account, which has only partly been the case to date. The PBnE refers here to its position paper “The growth potential of green technologies” and “Natural resources – boosting resource efficiency and waste management” from the 17th electoral term.

Here, a consumption indicator which includes the consumption of resources and energy as well as the greenhouse gas emissions of the goods consumed in Germany could be useful.

#### *Climate protection – reducing greenhouse gases*

##### **Indicator 2 – Greenhouse gas emissions**

Germany is leading the way with ambitious targets which aim to lower greenhouse gas emissions in the period from 1990 to 2020 to 60%, and by 2050 to between 20 and 5%. At 76.3% in 2013, the first intermediary target of 79% by 2008 was exceeded. Since 2009, though, the indicator has stagnated. Furthermore, it only indicates domestic greenhouse gas emissions. Emissions to produce goods manufactured abroad and then consumed in Germany are not included. The responsibility for these therefore lies in Germany. According to the indicator report, the emissions occur largely from the burning of fossil fuels such as coal, petroleum and natural gas, but iron and steel production, solvents, the use of mineral fertilizers, animal husbandry and landfills are also cited as culprits.

The PBnE calls for Germany - with its relatively high per capita emissions - to continue to make ambitious headway with greenhouse gases. Above all it needs a concept to phase out the use of the fossil fuels coal and petroleum step by step. Fossil fuels may be essential later down the line. Other major challenges are reducing the need for land-fill space by raising the recycling rate, reducing the use of fertilizers - also to protect the soil - by ensuring humane living conditions for livestock and by lowering food wastage. To this end, the PBnE calls for concepts to take effect soon, going above and beyond the information campaigns by the Federal Ministry of Food and Agriculture.

At international level, due to the insufficient results produced by existing agreements, further steps are required to promote climate protection which prevent relocation of production abroad to less regulated countries.

### ***Renewable energy sources – strengthening a sustainable energy supply***

The status of the indicators shows that Germany is on the right track when it comes to the quantitative expansion of renewable energy sources. The targets aspired to appear attainable in light of this.

#### **Indicator 3a – Share of renewable energy sources in final energy consumption**

The target percentage for renewables is 18% in 2020 and 60% in 2050. In 2013 it was at a pleasing 12.4%. Huge efforts will be required, however, if the target is to be met, as the areas of heat generation and transportation continue to be heavily dependent of fossil fuels. Here, so far the price has failed to send out the right signals to steer quantities. To increase the overall percentage of renewables in gross final energy consumption significantly new concepts are required.

The PBnE calls for research on power generation for the transport and heat sector to be bolstered and expanded if necessary. A comprehensive joint concept by the Federal Government, the federal states and municipalities on how to systematically expand renewables is urgently required to be able to deploy budgetary funds in a targeted manner.

#### **Indicator 3b – Share of renewable energy sources in electricity consumption**

The introduction of intermediary targets for electricity consumption for 2025 of 40 - 45% and for 2035 of 55 - 60% is new; by 2050 the aim is to generate 80 % of electricity from renewables. The PBnE welcomes this, as it does the lifting of the original target of 35 % for 2020 to 40 - 45 %. In 2014 the share came in at 27.8 %, making the targets set appear attainable if efforts are maintained.

With reference to the Peer Review Report 2013, the PBnE calls for planning to be stepped up along a time axis with the inclusion of the federal states, municipalities and citizens as well as appropriate investments in grids, storage and efficiency, also so as not to endanger the electricity supply and to keep price increases as a result of adaptation low for low-income households. Furthermore, consumers should benefit swiftly from the decreasing price of renewable energy sources. Instead of burning the final deposits of fossil energies, renewables must be integrated swiftly into the market and the grid. At the same time, the technology and the financial mechanism should continue to be developed in such a way that the full power-generation transition can be achieved at an earlier date. To achieve this, farther-reaching reform of the electricity market also appears necessary.

### ***Land use – sustainable land use***

#### **Indicator 4 – Built-up area and transport infrastructure expansion**

The PBnE notes once again that the increase in land used for housing and transport has slowed in general. At the same time sustainable use of land to preserve biodiversity and as such to ensure intergenerational equity has not yet been ensured. Instead current endeavours need to be intensified to be able to achieve the reduction target set of just 30 new hectares (ha) per day by 2020 – starting at new land use of 73 ha in 2013.

Here, the programmes of the Federal Government on sustainable urban development, the model project on land certificates trading, construction law and transport infrastructure planning can provide impetus in this direction. In addition to this, however, it is a question of seeking to join forces with the *Länder* and above all local governments – in particular in light of the limited remit of the Federal Government here.

The former are in charge of these issues and have responsibility for designating which land can be built upon and used for infrastructure projects.

### *Species diversity – conserving species and protecting habitats*

#### **Indicator 5 – Species diversity and landscape quality**

The PBnE regrets the stormy atmosphere which persists when it comes to diversity of species and sees an urgent need for action here. The indicator figure calculated on the basis of stocks of 51 bird species was 63% of the target figure in 2011 and as such at the worst level ever recorded. The figure for the sub-indicator on agricultural land is alarming, dropping to 56% of the sub-target figure in 2011 and statistically deteriorating significantly over the last ten years. The sub-indicator for coasts and seas, which had fallen to 61% of the target figure by 2011, is extremely worrying. The chief causes behind the drop in species diversity are intensive use of land for farming and forestry, fragmentation and urban sprawl, the sealing of areas and depositing of substances (such as acidifiers or nutrients). The increasing cultivation of fuel crops may also have negative impacts on landscape quality and species diversity.

The PBnE seconds the statement in the indicator report that considerable additional efforts are required at Federal Government, Länder and municipal level to reverse the trend, ideally in all policy areas related to nature and landscape conservation. The aim of the European Biodiversity Strategy of bringing the loss of biodiversity in the EU to a halt by 2020 will equally require major efforts. The mid-term review of the European Biodiversity Strategy underscores the great need for action.

Biodiversity policy is still not understood as a cross-cutting task, regardless of the national and European biodiversity strategies and even despite the *UN Decade on Biodiversity*. The issues relating to the conservation of nature and species must be integrated more into agriculture, forestry and fishing, transport, climate protection and energy policy alike.

The PBnE recommends expanding the indicator of species diversity, which is also the basis for the *National Biodiversity Strategy*, to include an indicator on fishing - urgently needed for marine diversity. The Eurostat Monitoring Report 2013 on Sustainable Development shows that there are already different surveys available on this.

### *Government debt – Consolidating the budget and creating intergenerational equity*

#### **Indicators 6a, b, c – Government deficit, structural deficit, government debt**

Against the backdrop of the 2008/2009 financial crisis, the reduction in the government deficit must be seen as a partial success in terms of the positive trend. The stipulations of the Maastricht Treaty, which state that the annual government deficit must not exceed the reference figure of 3% of Gross Domestic Product (GDP) as of 2012, is particularly worth highlighting with a view to consolidating public finances and as such sustainable development.

Whilst the efforts on the part of the Federal Government to ensure the reference value of 3% of GDP is not exceeded in the years to come are correct, the PBnE does, however, expressly point out that it is concerned by the development of general government debt (indicator 6c) which came in at 74.7% of GDP in 2014. The total level of government debt of EUR 2147 billion (Federal Government, Länder and municipalities) in 2013 remains high. What is positive is that the trend has been headed in the right direction since 2012 with a slight reduction in debt. The general level of government debt had fallen by the end of 2014 to EUR 2048 billion. In 2014, the Federal Government was able to avoid borrowing any more funds to cover spending for the first time since 1969. This signals a permanent lowering of debt, which can create new freedom to act for the Federal Government, federal states and municipalities.

### *Provision for future economic stability – creating favourable investment conditions and securing long-term prosperity*

#### **Indicator 7 – Gross fixed capital formation in relation to GDP**

Gross fixed capital formation in relation to Gross Domestic Product (GDP) gives cause for concern. In the period from 1991 to 2014, the share dropped from 24.9 to 20%. There may not be a target figure, but the investment ratio should ideally be above the OECD average. Contrary to the expectations set forth in the last Statement published

by the PBnE in 2010, when the PBnE judged the brief increase in the 2010 investment ratio as a positive signal, the ratio has since declined. Since 1991 the indicator's rolling average has developed counter to the desired direction. This makes the Federal Government's initiatives to step up investments, in particular in the public sector, *inter alia* by boosting investments in infrastructure at local government level, by taking preventive action to preserve infrastructure and by investments in energy efficiency an important signal in the right direction in order to provide direct and indirect impetus to bolster gross fixed capital formation. The PBnE calls for possible incentives for private investments in sustainable development to be examined.

### ***Innovation – Shaping the future with new solutions***

#### **Indicator 8 – Private and public spending on research and development**

Investments in research and development (R&D) are essential for a continuous social, environmental and economic structural transformation in Germany. These investments form part of the EU's Europe 2020 Strategy, which set forth the target of increasing R&D expenditure to three per cent of GDP by 2010. The PBnE acknowledges that the three per cent mark was almost attained in 2012. The PBnE calls for sustainability aspects to be taken into greater consideration in research and development.

### ***Education and training – Continuously improving education and vocational training***

The PBnE expressly welcomes the development of indicator 9 on education and vocational training. Demographic change, marked *inter alia* by a projected drop in the population of working age of 65 million in 2000 to 51 million in 2050, makes it necessary to adequately prepare young people for the world of work and for a successful career as earners. This requires multifaceted political approaches and greater commitment from business and industry, to both lower the share of people dropping out of school, training and higher education and to bolster the dual training system, professional continued training and the quality of higher education.

#### **Indicator 9a – 18 to 24 year-olds without a school leaving certificate**

The drop in the percentage of 18 to 24 year-olds leaving school early and not in education or training from 14.9 to 10.4% from 1999 to 2012 is positive. It is to be welcomed that the percentage of higher school leaving qualifications has increased between 1999 and 2012 (*Realschule* (intermediate certificate) by 2.5%, *Fachhochschulreife* (applied sciences university entrance qualification) by 0.6% and *allgemeine Hochschulreife* (general higher education entrance qualification) by 10.5%). Originally, the target of 10% was supposed to already be met in 2010. By 2020 a further reduction to 4.5% was planned. The PBnE regrets that the more ambitious national target was relinquished in the course of adapting it to the EU 2020 Strategy.

The drop observed in 2012 in new training contracts can be explained by the reasons cited in the indicator report. Vigilance is required, however, to ensure that this trend does not persist and that in particular young people from socially disadvantaged families and those with a migration background are provided with appropriate school education and training conditions allowing them to access the world of work.

As in its last Statement on the 2010 indicator report, the PBnE notes, however, that for sub-indicator 9a, the aspect of pre-school child development continues not to be taken into account. The foundations for a good school leaving qualification are already laid in infancy, however. The PBnE therefore, like in its last statement, calls for a procedure to be developed whereby pre-school development can be identified, compared and assessed nationwide.

#### **Indicator 9b – 30 to 34 year-olds with a tertiary or post-secondary non-tertiary level of education**

The development of the indicator must be seen as very positive overall. The PBnE welcomes the fact that in 2012 this indicator was already above the target set by the Federal Government and federal states of 42% at 43.3%. The PBnE hopes that the Federal Government and the *Länder* will continue to be able to uphold the figure achieved and welcomes the fact that graduates with two secondary qualifications (this may take the form of adult education or vocational qualifications after qualifying to enter higher education) are also included in the indicator as they are to be treated as equal from the PBnE's point of view.



**Indicator 9c – Share of students starting a degree course**

The high share of students starting a degree course in 2012, at 53.2% of those of university entrance age, is to be viewed positively. The trend in this direction has been promoted by various different causes, such as the double *Abitur* years in some *Länder*, with two year groups sitting the *Abitur* at once due to changes in the school system. It remains to be seen if this high level will be sustained or will tail off. The proportion of those eligible to go to university starting dual vocational degrees rose between 2003 and 2012 from 14 to 23.9%.

With a view to sustainability, a high level of education in a society is an indispensable contribution to the implementation of its national sustainability strategy. Here, the dual vocational training system must not be neglected with the otherwise strong focus on academic qualifications in the system.

**B – QUALITY OF LIFE*****Economic output – Combining greater economic output with environmental and social responsibility*****Indicator 10 – GDP per capita**

There is no target level for economic output. In 2014, Gross Domestic Product (GDP) per capita was EUR 33,100. Economic output is important to pave the way to a sustainable economy and also for numerous social factors, such as education, the labour supply and social cohesion. On its own the indicator provides little information about sustainability. Prosperity and quality of life only exist if when doing business, finite natural resources and human rights and labour standards are respected. This means severing the link between the consumption of resources and growth and compliance with social standards along the entire value creation chain.

In 2013, 73.8% of the working population was working in the services sector, only 24.7% in the manufacturing sector. Germany's goods consumption therefore largely depends on manufacturing in other countries.

The PBnE also calls for avenues to a sustainable way of doing business to be actively developed by means of an ecological social market economy, taking into account the global impacts of domestic economic activity. In the scope of the implementation of the EU Directive as regards disclosure of non-financial and diversity information by certain large undertakings and groups, it calls for the Federal Government to gradually make at least the German Sustainability Code binding for manufacturing companies in the scope of the application of the directive.

***Mobility – Guaranteeing mobility and protecting the environment*****Indicator 11a – Intensity of goods transport**

The intensity of goods transport rose between 1999 and 2012 by 8.8% and continues to develop in a worrying fashion. The aim is a reduction of five per cent by 2020, which cannot be achieved without resolute measures. According to the indicator report, the transport of upstream products for manufacturing has increased, as have the distances between the places of manufacture and use. Here it would be useful to know what reasons and needs are behind this development. It is not clear what the transport volume generated by foreign linkages is. Neither are the transport volumes generated by German import and export goods abroad. There are considerably more trucks with foreign plates on German roads; but it is not clear if these are in part travelling on behalf of domestic companies because transport is also being outsourced to foreign logistics operators. Energy consumption did drop slightly, but one cannot say the link has been severed. Energy consumption per tonne-kilometre has stagnated.

The PBnE calls for a new attempt at managing the complex international goods transport flows to be launched - both in light of the continuously increasing goods transport performance and energy consumption. An important starting point is creating true cost transparency and increasingly internalising the external costs of transportation.

**Indicator 11b – Intensity of passenger transport**

The intensity of passenger transport is stagnating at 91.7% at the level of 2007; the aim is to reduce it to 80% between 1999 and 2020. What is positive is that in 2012, in spite of an increasing intensity of passenger transport, energy consumption decreased slightly in absolute terms and per passenger-kilometre. It is too early, however, to speak of the link between energy consumption and passenger transportation performance being severed. It is in turn positive that rail and bus transport have increased more than private motorised transport, although the latter continues to dominate with a share of around 80%. Within private motorised transport, recreational travel accounts

for the largest share at 35%, followed by commuter travel at just below 20%, shopping at 18 % and business trips at around 14%. Domestic air traffic increased by the same percentage as private motorized transport, rail and bus together.

The PBnE calls for the general conditions for using environmentally friendly transport to be improved. Greater efforts are required to replace fossil fuels with environmentally friendly renewable energy sources and to continue to lower the energy consumption per passenger-kilometre *inter alia* by introducing step-by-step ambitious CO<sub>2</sub> caps for all new vehicles. In addition to a systematic energy concept, this also means focussing more on the number of passenger-kilometres travelled.

### **Indicators 11c, d – Share of rail transport and inland freight water transport**

One quarter of all goods transport is to take place on rail by 2015, 14% on water. In 2012, the level achieved so far was 18.2% and 9.7% respectively. Freight transport by water and in particular on the rails are far more environmentally friendly than by road. In spite of this, the political framework conditions for this have not been sufficiently established, with the result that the roads are still more attractive, in particular for foreign freight – despite tolls for trucks.

Given the expectation that goods transport performance will increase further, the PBnE calls for a review of the goods transport strategy. Here, too, the PBnE refers to the instrument of allocating the emissions caused to the mode of transport in question step by step to create a realistic set of options when choosing.

Sea and inland waterway transport are the most environmentally friendly mode of transport in terms of energy consumption and emissions per tonne transported. In spite of progress made, for instance in the form of MARPOL Annex VI (air pollution requirements for ships), further efforts must be undertaken to reduce pollutant emissions. The engine replacement programme for inland waterway vessels must therefore be continued. Negative impacts on the ecosystem as a result of the expansion of inland waterways and ports must be avoided.

### ***Farming – Environmentally sound production in our cultivated landscapes***

#### **Indicator 12a – Nitrogen surplus**

Nitrogen is an important nutrient for agriculture. However, a nitrogen surplus has negative impacts *inter alia* on the ground and drinking water as well as the quality of the air and soil. Although the surpluses were significantly lowered between 1990 and 2013 from 148 to 95 kg/ha, they are far above the 2010 target figure of 80 kg/ha. The reduction is mainly thanks to improved fertilizer management. Regional nitrogen surpluses are *inter alia* the result of intensive livestock farming and the increasing geographical separation of the cultivation of crops and livestock farming. Currently, Germany is not able to comply with the stipulations of the EU Water Framework Directive. The European Commission has therefore initiated infringement proceedings against Germany.

The PBnE calls for the Fertilizer Ordinance to be amended in line with the stipulations of the European Commission and the relevant EU directives. Good agricultural practices must be developed further, for instance through systematic nutrient management, management measures tailored to the location and suitable crop types, the systematic enforcement of effective sanction mechanisms in accordance with the Fertilizer Ordinance. Furthermore, steps should be taken to lower food wastage. This has positive impacts on the other sustainability criteria cited at the start.

#### **Indicator 12b – Organic farming**

The share of organic farming, which has increased further and also includes land currently being converted, is pleasing, as many other sustainability criteria benefit from it, *inter alia* the conservation of resources and protection of the climate, land use and species diversity as well as air quality. The rates of increase are too marginal, however, to reach the 20% target in the foreseeable future. The high degree of imports of organically produced food means that there is still entrepreneurial potential for organic farming that can be harnessed to reach the target of raising the share of 6.0% in 2013 to 20% as was originally envisaged for 2010. EU-wide, in 2012 Austria headed the list at 18.6%, followed by Sweden, Estonia and the Czech Republic. According to the indicator report, the competition over leased land for the cultivation of fuel crops on the one hand and the production of food and animal feed on the other could pose a problem.

It is also positive that the share of food not produced according to organic farming criteria but nonetheless sustainably is also increasing in the retail sector. Unfortunately sustainable farming has not been defined, however much an economical use of energy, water and fertilizers and protecting the quality of the soil are to be welcomed.

To support the different forms of sustainable agriculture and in particular to expand the share of organically farmed land, concepts and strategies should be developed for even more targeted promotion. This entails analysing the political framework conditions to learn how the 20% target can be achieved.

The PBnE continues to call for product information and campaigns to promote awareness and knowledge of and about regionally, seasonally and organically produced food. The sustainability of a product also depends on the resources used to store and transport it.

### ***Air pollution – Keeping the environment healthy***

#### **Indicator 13 – Air pollution**

Efforts to lower air pollution are currently seeing two different trends. Whilst both sulphur dioxide emissions and emissions of non-methane volatile organic compounds could be lowered relatively quickly and significantly, the emissions of nitrogen oxide and in particular ammonia are significantly higher than the target value of 30% set for 2010, at 80%. This target has not been updated to this day. The main culprits are transport and energy. 93% of ammonia emissions come from agriculture according to the report, more specifically from livestock farming. The continued presence of high ammonia deposits in the soil already harbour significant dangers, as ammonia changes into one of the many other nitrogen compounds hazardous to the environment, with negative consequences for the quality of the air we breathe (formation of fine particulate matter and ozone) and the quality of water (nitrate in the ground water) and exacerbates climate change (nitrous oxide).

The PBnE calls for the target to be updated for up until 2030 and for an intermediary target for around 2020. Furthermore, the PBnE calls for systematic measures to achieve the 2010 targets, in particular the swift expansion of renewables, lowering the consumption of fossil energy including for transport, for instance by using measures to reduce the pollutants emitted thanks to electric mobility, gas propulsion systems etc. The PBnE also calls for a concept for livestock farming adapted to natural resources as well as husbandry practices respecting animal welfare and including measures to lower ammonia emissions in stabled husbandry, to avoid food wastage, in particular of meat, for instance by promoting natural recycling in farming. To track ammonia accumulations and the hazards these pose for the soil and drinking water, the PBnE suggests introducing a drinking water indicator.

### ***Health and nutrition – Living healthy longer***

#### **Indicators 14a, b – Premature mortality**

Premature mortality (below the age of 65) has decreased again. In 2012, according to the indicator report, per 100,000 of the population, 217 men and 130 women died prematurely. The targets for 2015 of 190 (men) and 115 (women) may therefore be achieved. According to the indicator report, tumour diseases were the most frequent cause of death under the age of 65 at around 37%; cardiovascular diseases came in second at just under 20%. Irrespective of whether the target was met or not, these figures do not provide any information as to what extent determinants such as social status, education and employment impact mortality and life expectancy. Against this backdrop, from the PBnE's point of view greater efforts are required to do away with unequal health opportunities and social differences with regard to mortality and life expectancy.

#### **Indicators 14c, d – smoking rates among young people and adults**

The data is not collected on an annual basis. Amongst adults the share in 2013 was 24.5%, with men smoking more than women at 29% compared to 20.3%. The target of 22% for 2015 is attainable. Amongst young people, the share of smokers fell up until 2011, but then increased slightly in 2012; this means the target of “below 12%” for 2015 is almost achieved. The share of smokers is also partly responsible for premature mortality and tends to reflect health awareness in society, which still needs to be considerably bolstered.

**Indicator 14e – Proportion of adults suffering from obesity**

The proportion of obese people has risen again. In 2013, according to the Federal Statistical Office, 15.7% of the population were obese, with men overtaking women at 17.1% compared to 14.3%. It is pleasing that – at the recommendation of the PBnE, too – the Indicator Report 2014 addresses the findings available to date on obesity amongst children. It should be examined whether for the next indicator report the necessary data is available for the development of obesity amongst children to be depicted in chart form. This would provide an early warning instrument for detecting developments in the wrong direction, which amongst children are often attributable to a lack of exercise alongside an unhealthy diet. The PBnE regrets that no target figure has been set. The 2015 Prevention Act is a first step, also because it increased funding. In addition to boosting prevention at work, this should above all also bolster prevention measures in the early years and in everyday life at nurseries and schools and other spheres in the lives of children and young people.

The PBnE calls for prevention to start much earlier by providing support and assistance for future and new parents. As studies and local projects show, investments during the early years pay off on many fronts, for instance in terms of health and social skills.

***Crime – Further increasing personal security*****Indicator 15 – Criminal offences**

The PBnE welcomes the change to this indicator made on its initiative. Previously, the target of personal security and as such to a certain extent quality of life was mapped using “burglaries in homes”. It is right to also put the spotlight on other offences. Here, the proportionally relatively frequent cases of fraud are of considerable significance at 16% and, albeit it at a lower percentage, grievous and serious bodily harm at 2.3%.

The indicator “criminal offences” makes it possible to monitor the development of crime as a whole and thus affords a more accurate view of the goal of further increasing personal security. Furthermore, it continues to be possible to monitor sub-sections and as such to consciously expand the different perspectives, although nationally uniform recording methods must be ensured.

In 2014, at a figure of 7,530 criminal offences per 100,000 inhabitants, the indicator developed negatively compared to an initially positive trend starting in 2008, with the result that the target set for 2020 is moving back out of reach. To attach the importance to “personal security” it deserves given its significance to citizens as part of the strategic headline goal of quality of life, the PBnE calls for a more ambitious target value.

**C – SOCIAL COHESION*****Employment – Boosting employment levels*****Indicator 16a, b – Employment rate**

The PBnE expressly welcomes the positive trend in both sub-indicators and the early target attainment of Indicator 16b (employment rate among older people). The employment rate among 55 to 64 year-olds increased from 35.4% in 1993 to 61.2%, exceeding the target value of 60% for the target year 2020 ahead of time. The Federal Government’s goal of raising the proportion of the employed among the population of a working age (15 to 64 year-olds) to 75% by 2020 (Indicator 16a) can be achieved in 2020 if the average annual development of the last five years continues.

The Federal Government must not let up, however, in light of this positive development in terms of questioning the quality of employment in Germany and, where necessary, taking measures to improve it. When it comes to the development of employment amongst women, the fact that the increase in the share of employed women does not go hand in hand with an increase in the volume of work should be borne in mind. Moreover, the PBnE calls for stronger action to counter youth and long-term unemployment.

In spite of the target attainment for 55 to 64 year-olds, 40% are unemployed. The PBnE calls for the indicator to be further developed in light of demographic change and the aging population. The PBnE furthermore urges the Federal Government – irrespective of the statistical limits set at EU level – to also include the age group of over 64 year-olds in any scenario going beyond 2020 in the considerations on how to further develop the targets set.

In light of the gradual introduction of retirement at 67 it is important to continue to evaluate the employment rate of employees up until shortly before entering retirement.

### *Prospects for families – improving the compatibility of work and family life*

#### **Indicator 17a, b – All-day care provision for children**

The PBnE welcomes the positive trend in the sub-indicators. The goal of the sustainability strategy is to enable all-day care for at least 35% of 0 to 2 year-old children (17a) by 2020; in 2014 according to the Federal Statistical Office the figure was 15.3%. For 3 to 5 year-olds (17b) this proportion aims to be at least 60% by 2020, in 2014 the figure was 41.4%. For the 3 to 5 year-olds, the target for 2020 could be attained if the development seen over the last five years continues. For 0 to 2 year-olds, by 2020 around 93% of the target is likely to have been attained, so the target would only be missed slightly.

The PBnE urges the Federal Government to extend the indicator to include different presentation and measuring options so as to lend it more clout. The indicator does not currently reflect the strong regional variations (east-west, city-country) and does not enable any conclusions to be drawn regarding the actual need for all-day care, which is indispensable for targets tailored to real needs.

From a demographic point of view it must be our goal to shape the framework conditions for families so that they genuinely allow people to choose to have children. A step in this direction is better compatibility of work and family life. A particular birth rate is not a precondition or assurance of sustainable development, instead it is a matter of taking a shrinking population into account early on in political decisions to make things like infrastructure and social insurance systems viable in the future.

### *Equal opportunities – Promoting equal opportunities in society*

#### **Indicator 18 – Difference in earnings between women and men**

The PBnE regrets the fact that the difference in earnings between women and men has scarcely decreased and that the Federal Republic of Germany still ranks among the worst when compared to other EU countries. The aim of the 2002 sustainability strategy was to reduce the difference in earnings to 15% by 2010 and to ten per cent by 2020. The target set for 2010 has already been missed by a long shot.

In 2014, the difference in earnings between women and men (often referred to as the gender pay gap) averaged at 22%, a slight improvement compared to 23% in 2009. If the trend stays the same, the target of 10% in 2020 will be clearly missed however.

The PBnE shares the view in the indicator report that in a modern society based on gainful employment the gender pay gap is a sign of social inequality. Reducing the pay gap is an indicator of progress en route to equal opportunities.

Encouraging the actual enforcement of the equality of women and men is enshrined as a task of the state in Article 3 (2), sentence 2 of the German Basic Law. One of the chief tasks here is also doing away with pay discrimination against women. Furthermore, the Treaty on the Functioning of the European Union (Article 157, previously Article 141 TEEC) has obliged the Federal Government since 1957 to ensure the application of the principle of equal pay for men and women for the same or equivalent work. Women like men must be able to have a job that ensures their means of subsistence, with the same pay for the same work at the same place and the same possibilities of promotion. The public service must live up to its function as a role model here.

The PBnE urges the Federal Government to expand the indicator to include the fact that women often are worse paid than men even with the same formal qualifications and job. In the case of the same work, too, on average there is a difference of 7% at the expense of women. The reference to “typical women’s professions” and “classical male professions” cited as one of the reasons to explain the pay gap is, therefore, not constructive. The statement that women often seek part time work detracts from the real problem because ultimately Indicator 18 is not about the monthly salary but the average gross hourly pay – and this should not differ, irrespective of weekly working hours.

The PBnE welcomes the commitment shown by the Federal Government in its initiative to reduce the gender pay gap. It remains to be seen to what extent the law adopted on a quota for women in positions of leadership (Act on equal participation of women and men in leadership positions in the private sector and in public service) and the

planned Equal Pay Act (Act on pay equality between women and men) will accelerate the positive development.

### *Integration – Integration instead of exclusion*

#### **Indicator 19 – Foreign school leavers with a school leaving certificate**

The PBnE welcomes the fact that the ratio of foreigners leaving general school education with a school-leaving certificate has increased slightly in recent years. In 2012 it was 88.6% compared to 95.1% for German school leavers. The goal of the sustainability strategy of harmonising the rate with that of young Germans is ambitious and will require further efforts if it is to be achieved.

The PBnE welcomes the fact that the indicators will continue to differentiate between different leaving certificates. To date, vocational training or a higher education qualification as well as language ability at the time of starting school, which are equally important for successful integration, have not been reflected in the indicator system. The PBnE calls for both vocational qualifications and achieving a higher education qualification and language ability at the time of starting school to be included in the indicators. Investments in the pre-school phase can help save on later and generally higher spending due to a lack of job skills. Please also see the statements by the PBnE on Indicator 9 a.

## **D – INTERNATIONAL RESPONSIBILITY**

### *Development cooperation – Supporting sustainable development*

#### **Indicator 20 – Share of expenditure for Official Development Assistance in gross national income**

The share of expenditure for Official Development Assistance (ODA) in gross national income may have remained stable in absolute terms in 2012 compared to the prior year at EUR 10.1 billion, but Germany has dropped from second largest donor to third largest after the US (0.2% in 2011) and the UK (0.56% in 2011) and in relative terms, too, the share dropped to 0.37% in 2012.

The PBnE welcomes the commitment voiced by the Federal Government to its international development policy duties such as combatting poverty, securing peace, promoting democracy and shaping globalisation equitably. Honouring pledges from international commitments in the fight against worldwide poverty, underdevelopment and to safeguard human rights, tackle corruption and develop democracies must not be pitted off against other duties and tasks. In light of this, the additional top-up funds of EUR 8.3 billion for the period from 2016 to 2019 for Official Development Assistance are a positive sign and an important step in the right direction. But even this increase will only put the ODA rate at around 0.4% of GDP. Further boosts are needed to meet the 0.7% target confirmed at the G7 Summit in Elmau.

The PBnE also welcomes the greater commitment on the part of the Federal Government to use ODA funds to promote sustainable and democratic development in the recipient countries. This will require corresponding local structures to be put in place. An according contribution could be made to this in the scope of the implementation process of the universal sustainability goals, the SDGs.

### *Opening markets – Improving trade opportunities for developing countries*

#### **Indicator 21 – German imports from developing countries**

The growing trade with emerging markets is contrasted by stagnating or even declining trade with the poorest countries. Around two thirds of the imports in 2012 were from the Asian region, EUR 78 billion of which (42%) were from China. Central/South America and Africa accounted for around 13% of imports each. The share accounted for by ACP states (Africa, Caribbean and Pacific region) with which Germany and the EU cultivate special relationships has remained virtually identical at 1.5%, even if in absolute terms in the period under review imports have more than tripled to EUR 13.7 billion.

Given the persisting imbalances between the imports from emerging and underdeveloped countries, the PBnE calls for greater participation by the developing countries in world trade. This entails doing away with existing dependencies and increasing local value creation – the high proportion of imports accounted for by raw materials illustrate a persistent lack of sustainable development in the developing countries rich in natural resources.

The PBnE also calls for there to be a greater focus on the entire supply chain as a whole for imported goods and manufactured parts including compliance with human rights, fair working conditions and the protection of the earth's natural resources.

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Chairman