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Shaping Germany's Future

Coalition treaty between CDU/CSU and SPD

18th legislative period

NON-OFFICIAL TRANSLATION OF THE COALITION TREATY
BETWEEN CDU/CSU AND SPD

BY KONRAD-ADENAUER-STIFTUNG



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PREAMBLE: SHAPING GERMANY'S FUTURE

The CDU/CSU and SPD coalition seeks to ensure that the foundations of our prosperity and cohesion are secured and expanded. Our objective is for every German citizen – children, women and men, young and old, in East and West – to be able to lead a good life and for our country to continue to make effective progress.

In recent years, Germany's economy has outpaced nearly all other countries in Europe. The economy is entering its fifth year of growth in succession, employment is at a record level, state and social insurance revenues have increased, thereby significantly reducing strain on the national budget, and new borrowing by the Federal Government has been reduced to almost zero. Germany is in good shape – thanks, among other things, to a targeted reform policy undertaken in the past. Our country was able to respond decisively to the international financial crisis and resulting economic slump, as well as the debt crisis in Europe. Politicians reacted by creating the framework Germany's citizens utilised intentionally. Collective bargaining partners safeguarded jobs by acting responsibly. Together, we were able to ensure that our country emerged stronger from the crisis. These are grounds to be confident.

However, not everyone has been able to share in this positive development. We cannot accept insecure employment conditions and income levels that are insufficient to live on; neither can we accept the gap in income inequality which is only closing slowly or the large number of families and elderly who cannot get by without basic social security. This also applies to the inadequate number of women in leadership positions as well as the wage gap between women and men. Young people's education and future opportunities must no longer be allowed to depend on their social background. Rising energy prices must not be allowed to overburden either private households or companies. All these are reasons for continuing our political efforts.

Over the coming years, we aim to continue positive developments and overcome our shortcomings. In four years' time, our country should be in an even better position than it is today. This is a significant task. Our export-oriented economy is interwoven into an international network in a variety of ways, and we are competing with other industrialised nations as well as with a growing number of dynamic, up-and-coming economies in newly industrialising countries. Global inequalities, climate change and the consumption of scarce resources

demand a new and sustainable model for prosperity. The global economy is only recovering slowly from the consequences of a major financial crisis. It is necessary to work hard for every success. The European debt crisis is not yet overcome, and will also demand efforts from us in the coming years.

At the same time, we are facing new and far-reaching challenges in the form of demographic change, scarcity of skilled personnel and the continuing digitalisation of our lives. Only one in every hundred people in the world lives in Germany. Our population is the oldest in Europe and our society is becoming more diverse as the proportion of people with an immigration background grows. The Internet and digital technologies are not just changing our everyday lives; they are also leading to sweeping changes in business and the world of work. After the invention of the steam engine, industrialisation and the start of the computer age, we are now in the middle of the fourth industrial revolution with the "Internet of things". We want to use the opportunities this presents in order to provide people in our country with good prospects.

The social market economy is a significant component of our liberal, open and solidly united society. It provides us with a proven compass that directs us along the course to prosperity and full employment, while strengthening the social balance and cohesion in our country's society. We aim to strengthen the social market economy, while anchoring its principles within Europe and beyond, and shaping conditions so our country offers every individual fair opportunities for a good future. To achieve this, we seek the following:

Stopping new borrowing and reducing the debt/GDP ratio

For us, solid finances with balanced budgets are essential. We aim to stop new borrowing on a sustained basis, reduce the debt/GDP ratio and, at the same time, ensure that the Federal Government, federal states and municipal authorities have the potential to invest. Only in this way will we do justice to our responsibility to our children and grandchildren. We are agreed that combatting tax evasion, effective tax enforcement and consistent adherence to the debt ceiling are essential in safeguarding revenues and the state's ability to act. A solid and fair budgetary policy will continue to create the preconditions for a stable currency, growth and secure jobs.



Strengthening competitiveness and increasing investments

We regard Germany's opportunities as deriving from an internationally competitive economy comprised of small and medium-sized enterprises that are built around the core of what continues to be a modern and dynamic industry. Our country needs its export strength as well as economic development driven by investments and purchasing power. We want to create stable basic conditions for the innovative potential and competitiveness of our economy to be strengthened, in addition to developing and offering high-quality products and services from a well-qualified workforce. We have succeeded in keeping non-wage costs below 40 percent.

Rules for the financial markets – protection for tax payers and savers

Our principle is as follows: "No financial market, no financial product, no financial market player without supervision". Anyone who enters into major risks must also accept the liability – these are the rules of the game in a social market economy. Consequently, we want to see primary liability residing with the owners and creditors of banks. The particular German model involving savings banks, mutual savings banks and private banks contributed to stability during the financial crisis. We want to buttress that further. The introduction of a European financial transaction tax is increasing the contribution made by the financial sector to the costs of the crisis as well as to the future tasks of growth and employment.

Introducing a minimum wage, preventing misuse of service or work contracts and temporary work

We seek: Good work for all – secure and well paid. To achieve this, we are depending on the wealth of ideas and the energy of our country's people. We place our trust in responsible entrepreneurs who are prepared to take risks, as well as in a well-trained and highly performing workforce. Through an intelligent economic and labour market policy, we want to create the basic conditions required for a positive investment climate, as well as secure and rewarding work with fair payment and a strong social partnership between employers and unions. We will ensure that fair wages are paid by setting a statutory minimum wage and achieving generally binding collective bargaining agreements. Free collective bargaining, a uniform wage structure and co-determination are issues that are important to us. We will prevent the misuse of service or work contracts and temporary work.

Strengthening the equality of opportunity through education

Education, science and research are key concerns of the coalition. They form the basis for achieving participation, integration and equality of education, and for maintaining our prosperity in future generations as well. This is why we want to further increase the funds available for education in cooperation between the Federal Government and the federal states. The expansion and quality of child daycare centers and all-day schools improve the educational success of children. We will provide three percent of our gross domestic product for investments in research. We want for the results of our research efforts to create new prosperity in Germany and Europe. For this purpose, we want to remain a tech-friendly country that says yes to new ideas and innovations, as well as dealing responsibly with risks.

Strengthening the locational advantage of our infrastructure with greater investments

A high-performance transport infrastructure forms the basis for our economy's competitiveness. This is why we want to make particular efforts to channel additional expenditure into a modern, safe and high-performance transport infrastructure. In doing so, we want to maintain roads, railways and waterways, while expanding them where necessary. This goal can also be pursued by developing truck as well as a car tolls in accordance with European law by means of which we want to make owners of cars registered outside Germany pay a share towards financing additional expenditure for the motorway network, without imposing a higher burden on vehicles registered in Germany than is currently the case.

Advancing the transition in energy policy – safeguarding the industrial location

The shift in energy policy represents one of the greatest challenges facing the quality of life of current and future generations as well as the economic success of our country. It protects the environment and climate, makes us more independent from imports and safeguards both jobs and value creation in Germany. We want to make this a success story and for Germany to develop into one of the most modern energy locations in the world. In implementing the transition, we want to strike a balance between affordability, security of supply and environmental compatibility, as well as safeguarding economic competitiveness. To this end, we will rapidly reform the Renewable Energies Act with the objectives of effectively



limiting the increase in costs, accelerating the expansion of the grid and defining expansion corridors for renewable energies. Greater efficiency is a significant factor in a modern industrialised country which serves as the international standard.

Comprehensive broadband availability and expansion of WLAN

The Internet and digital technologies are essential in today's world, and are drivers of growth for our country. In order to ensure that each of our citizens can avail themselves of the advantages offered by high-speed Internet access, our aim is to make this technology available nationwide by 2018. We safeguard network neutrality. Furthermore, we want to create the conditions for free WLAN availability in cities. We want to utilise opportunities for innovation, progress and new employment, by making Germany into the leading digital location in Europe.

Preventing poverty in old age – honouring lifetime achievement

Our country's people must be able to rely on our social security plans. They are decisive in terms of fair recognition for the varied achievements of people, whether at work or in the family. These plans pay benefits, ensure that people who are disadvantaged can participate in social life, provide protection against poverty and are the expression of our society's cohesion. The success story represented by the increasing participation of the elderly in gainful activity as a result of pension reforms is something we want to continue. We want lifetime achievement and paying contributions over many years to be reflected in pension plans. As a result, we will introduce a solidarity pension for lifetime achievement. In respect to the length of time spent working, we will enable those who have worked over many years to retire two years earlier on a full pension. We will provide greater incentives for efforts made to raise children by mothers and fathers whose children were born before 1992. Our healthcare and pension systems must assure all their clients receive proper provision at a high standard, with equal treatment regardless of where and when assistance is needed. For this purpose, we will expand provision of nursing care insurance in order to bring it closer in line with the needs of those who require nursing care and their family members.

Strong municipal authorities – financial relations of the Federal Government and federal states on a secure future footing

We will take steps to ensure that as a country Germany offers liveable conditions nation-wide with viable future prospects – whether in cities or in the countryside. By means of a Federal Participation Act, we aim to provide greater financial support than before to municipal authorities in the integration of individuals with disabilities. The federal states also require reasonable funding in order to be able to carry out their various tasks in conjunction with municipal authorities. Our objective is to have the ability to act on the levels of the Federal Government and federal states, cities and communities, in all regions of Germany. We wish to establish a commission to reorganise the financial relationships between the Federal Government and federal states.

Securing cohesion and reinforcing citizens' rights

Wherever people take on long-term responsibility for one another, we want to support them. Our society needs strong families. As a result, we want to strengthen marriage and the family. We want to achieve equal rights for all citizens in a society characterised by diversity. We will undertake new efforts to promote women's equality, for example, by introducing a women's quota and the right to return from a part-time job to full-time employment. Same-sex partnerships should be treated with respect and recognition. Immigrants should become national citizens. Anyone who was born and raised in Germany should not lose their German passport and be subjected to the obligation of choosing. We promote civil-society commitment for democracy. We are engaged in dialogue with Christian churches, religious communities and religious associations. They enrich the life of society and communicate values that contribute to the cohesion of our society. For us, rights and participation opportunities of citizens represent a central concern. In this digital age, we will also enforce data security and data protection.

Combatting crime and guaranteeing security

We want a state that guarantees freedom and security for people everywhere. Quality of life includes people's ability to live safely and protected from crime. We want to better protect children and women against human trafficking and forced prostitution. The use of surveillance cameras should be increased at crime hot-spots, such as railway stations. Protection against burglaries



should be improved. Police officers and other emergency service personnel need greater protection against violent attacks. We decisively oppose actions of an extremist, racist and anti-democratic nature.

A strong and stable Europe – Germany's future

Germany in particular – as the largest economy in Europe – must shoulder particular responsibility for our continent. We know that Germany can only be successful if Europe also has a good future. Our objective is to guide Europe more decisively out of crisis – with a view to creating stability for Europe, one that will enjoy sustained growth. The Euro as a strong and stable currency is a central precondition to this aim. Our principle to this end is: solidarity and personal responsibility go hand in hand. This approach would be irreconcilable with a communitisation of debt. Rather, we require greater competitiveness through structural reforms and new impetuses for growth in all member states. For us, social Europe is of equal importance as market freedoms within the internal market. We will aid in combating high levels of youth unemployment in Europe through decisive steps. We will work with our partners to provide every young person with an opportunity and prospects.

Taking responsibility in the world for peace and human rights

Germany is aware of its responsibility internationally as well. We will address international challenges: Safeguarding peace and freedom and upholding human rights, supporting the development of countries and regions, and safeguarding the environment. Not least, we aim to promote stability through new disarmament initiatives and a policy of restraint in armaments exports. Together with our partners in Europe, we seek to assist in shaping the global order and contribute to crisis and conflict resolution. In doing so, we will be led by the values and interests of our country.

Shaping Germany's Future

Together with our country's citizens, we want to lead Germany toward a positive future. In addition to the effectiveness of our actions, our gauge for success in politics is the quality of life enjoyed by Germany's people, and citizens in Europe. The task of the Federal Government we will form is to set the proper course and create basic conditions in which our country can develop effectively, and individuals can shape their lives in freedom and security. In this coalition treaty, we have described

what principles guide us, what our objectives are and how we want to achieve them by 2017.

1. GROWTH, INNOVATION AND PROSPERITY

1.1. Strengthening Germany's economy

The CDU/CSU and SPD coalition regards Germany's opportunities as deriving from an internationally competitive economy comprised of small and medium-sized enterprises that are built around the core of what continues to be a modern and dynamic industry. We want to strengthen the foundations of the social market economy with a view to new growth and greater employment. We will strengthen entrepreneurial responsibility and good social partnerships in equal measure. On the financial markets, we want to continue to take measures toward effective regulation and to ensure the principle of risk and liability. We want to create greater incentives for sustainable activity within companies. To this end, we will dialogue with businesses aimed at examining effective measures for long-term orientation in remuneration and bonus systems.

We are committed to Germany as an industrial and business location in which large and small companies can seize opportunities. We aspire to a dual strategy of budget consolidation and impulses for growth – in Germany and Europe.

Our country needs a new period of rapid industrial expansion. We want to strengthen entrepreneurship and the founding spirit, as well as foster social recognition. We will improve basic conditions for innovation and investment, especially by small and medium-sized enterprises. We will maintain the flexibility that has proven effective in the labour markets and adapt social security to demographic necessities – what we need are secure and viable employment, economic dynamism, fair participation and a high quality of life.

Our strategy for sustainable progress

Growing international competition, including that which is emerging from rapidly growing, newly industrialising countries, the breakneck speed of scientific and technical progress, especially digitalisation, demographic change involving, among other things, a shortage of skilled personnel, and a scarcity of natural resources are confronting us with new challenges. As a result, in the coming



years we will focus our strategy on innovation, investments, integration in good and productive work as well as internationalisation. We want to build a forward-looking and growth-oriented economic policy on these four areas of activity:

Innovation: Our economy needs innovations for new products, processes and employment. We want to be among the global leaders in private and public expenditure on research and development. As a result, we aim to invest 3 percent of gross domestic product in research and development. We want to use opportunities of digitalisation in order to modernise our economy. Only in this way will Germany remain a competitive industrial and production location, at the same time as tapping the potential for creating new jobs in industry-related and highly knowledge-based services – above all in small and medium-sized enterprises.

Investments: Innovations need investments. We can only secure growth and employment in Germany by boosting investment. This also creates the basis for a robust income trend. German business needs a clean, safe and affordable energy supply. Growth in Germany demands sustainable modernisation of infrastructure. We aspire both to greater investments by the public sector as well as improved conditions for private investments. Our objective is an overall investment quota above the OECD average.

Integration in good, productive work: In view of demographic changes, securing a highly qualified base of skilled workers is becoming a central task. Professional and academic education plays a decisive role in this. All the qualification reserves available in Germany must be utilised. Through an alliance of skilled workers, we want to focus on the topic to an even greater extent, placing it in the center of political, business and union debate. We want to strengthen uniform wage structures, collective bargaining coverage and compliance with collective bargaining agreements. Our goal is full employment with good and productive jobs.

Internationalisation: The strength of German companies in international markets represents a central pillar of our success. Their international competitiveness is decisive with regard to our success and prosperity. As a result, we advocate global markets and stable financial systems, as these are the preconditions for a growth-friendly investment climate. To accomplish this, we need to consistently implement international rules and develop them further. We want to seize opportunities pre-

sented by free trade through more intensive international coordination. Within the group of major industrialised nations (G8 and G20) – in particular during the German presidency of the G8 in 2015 – we want to achieve better coordination in international financial policy. Aside from new opportunities offered to German business in growing markets outside our continent, the European sales markets remain of central importance for German exports. Our country needs export strength, a strong domestic economy and internal demand supported by investments and purchasing power.

This strategy is the correct way to respond to the economic challenges of our time. The first grand coalition almost 50 years ago passed the Stability and Growth Law as a response to the economic policy challenge facing it at the time. In light of current challenges – demographic change, internationalisation, digitalisation and scarcity of resources – we want to develop a new economic and growth policy strategy. As a result, we will examine the existing Stability and Growth Law together with the Council of Economic Experts.

In overcoming major economic challenges, we will rely on an intelligent interplay between the market and the state through cooperation with entrepreneurs and employers, companies and unions. We aspire to achieve sustainable progress.

Progress, quality of life and prosperity have many facets: Good work, fair wages, health as well as intangible values such as family, friends and freedom. We want to orient government actions more strongly toward the values and objectives of citizens, and will therefore dialogue with them regarding their understanding of quality of life. We will make use of available reports and indicator systems, such as the corresponding Enquete Commission of the German Parliament and the Council of Economic Experts, in assessing overall economic trends.

On this basis, we will develop a system of indicators and reporting on quality of life in Germany. Information should be provided at regular intervals and in a comprehensible form regarding the status and progress of improving the quality of life in Germany. In doing so, we want to improve information on social, ecological and economic dimensions of quality of life and progress.

We want acquired insights to flow into an interdepartmental plan of action entitled "living well", which is aimed at improving the quality of life in Germany.



European economic policy

We are in favour of completing the European internal market. The expansion of cross-border infrastructures is essential for a common market. Remaining obstacles must be overcome, especially those facing small and medium-sized enterprises. Within the European Union, we want to prevent fiscal dumping, put a stop to tax havens and promote tax harmonisation. Red tape must be cut at European level as well. We want to implement EU regulations "one-to-one" – this also ensures equal opportunity within the European internal market. European legislation must not be contradictory in the various fields of policy. It must be coherent in order to strengthen Europe's role in global competition in the long term.

Foreign trade

The supreme importance of foreign trade for the German economy, increasing networking with foreign markets as well as the increasing role played by the state in the economy in many countries are factors which demand greater commitment by politicians towards international economic relations. By making intelligent use of confidence-building measures, contractual agreements, economic and development policy instruments as well as the principles of human rights, it will also be possible to contribute to reducing foreign policy tensions.

Strengthening free trade and trade agreements

We are concerned about the increasing number of measures being applied to limit or even prevent free trade. Also, the growth in infringements of the rules of the World Trade Organisation WTO gives us cause for concern. Free and fair world trade must be reliably regulated within the multilateral framework of the World Trade Organisation WTO. This will also facilitate further inclusion of developing countries into the system of global trade according to principles that apply equally to everyone involved. As a result, we are striving for the WTO to be strengthened and we continue to advocate final completion of the ongoing Doha Round.

As with the success of negotiations by the European Union regarding a transatlantic trade and investment partnership (TTIP) with the USA, we are also striving for further trade agreements to be concluded rapidly with newly industrialising countries. Our objective is to deepen economic and commercial links. We thereby emphasise multilateral trade rules. EU trade agreements should ensure compliance with the core labour standards of the

International Labour Organisation (ILO) so free trade does not become a gateway for wage and social dumping.

Promoting foreign trade

We want to provide targeted support for small and medium-sized enterprises as they embark on export activity. We will continue to develop the proven instruments for promoting foreign trade (Germany Trade and Invest, German diplomatic missions, German Chambers of Commerce Abroad, trade fair funding, consulting and others) and ensure they are primarily oriented toward goals of prosperity and employment. We want to improve the application and inspection procedures for export permits. We will continue to develop international rules for export credits in an objective manner and will advocate their use by all international competitors. Future European investment protection agreements must meet proven, high-quality protection standards. Overall, we place the emphasis of foreign trade policy on achieving a level playing field and international standards.

Armaments exports

As regards armaments export decisions to so-called third countries, the actions of our government are subject to the strict "Political Principles Governing the Export of War Weapons and Other Military Equipment" which were decided in 2000. The Federal Government will inform the German Parliament without delay of its definitive approval decisions in the Federal Security Council. The decision as to whom to inform lies with the German Parliament. Furthermore, we will improve transparency vis-à-vis Parliament and the general public by presenting the annual armaments export report in advance of the summer recess in the following year, and an additional interim report.

We continue to advocate a harmonisation of armaments export guidelines within the EU. European harmonisation efforts must be implemented in such a way so as to ensure they do not fall below the minimum requirements of the Common Position of the EU which were adopted in 2008.

Responsible company management in international markets

Our guiding principle for responsible entrepreneurship also includes voluntary adoption of social responsibility for social, cultural and ecological concerns, which are in



entrepreneurs' own interests. As a means of further strengthening responsible entrepreneurial action by German business abroad, we will place emphasis on achieving the broadest possible awareness and application of OECD principles for multinational companies.

Competition law

Fair competition and protection against agreements which distort competition are essential if the social market economy is to function. Further development of European competition and cartel law is of significant importance to the international competitiveness of Germany and Europe. Competition law must be optimised so infringements of competition are largely excluded.

We will evaluate the effects of the regulations in the Eighth Amendment to the Act Against Restraints of Competition and examine further steps toward tightening up official and court proceedings in cases of cartel law violations. Furthermore, we will focus on strengthening the implementation of cartel law on both European and national levels. By reforming cartel law, we will make it more practicable for publishing houses to cooperate in business below the editorial level. In doing so, we aim to counteract risks to press diversity posed by the upheaval in the digital media landscape.

Postal service: We will ensure a high-quality, comprehensive and affordable provision of postal services to citizens. We will hold firm to the provision of a universal postal service.

Transparency of managerial salaries

In order to create transparency in the setting of managerial salaries, remuneration for the Board of Management will in future be decided by the Annual General Meeting according to the proposal by the Supervisory Board.

Safeguarding raw materials

Germany is reliant upon imports of many crucial raw materials such as rare earths and metals. In view of growing global demand as well as the increasing number of state interventions in raw material markets and associated distortions to competition, it is appropriate for targeted action to be taken in order to prevent possible negative impact on value creation in Germany. First and foremost, it is the task of the companies themselves to meet their requirements for raw materials on the mar-

ket, as well as taking a forward-looking approach to future developments. We will accompany these efforts with political initiatives in order to ensure that a reliable legal and institutional framework is put in place for fair competition on international raw material markets. We will pursue an integrated raw materials strategy encompassing the entire raw materials supply chain, from improving raw materials efficiency, substitution and recycling of valuable substances, through to use of domestic raw material resources and ensuring raw materials provision on world markets.

Extraction of raw materials in Germany

We will support the economic and environmentally acceptable extraction of domestic raw materials as well as their processing in Germany. We will promote acceptance by citizens of raw material extraction at home, and place decisive emphasis on the safety and environmental compatibility of domestic raw materials extraction. It is important to orient regional planning more effectively towards taking account of different competing uses, while assigning appropriate importance to raw materials extraction in the course of the decision-making process. Furthermore, we want to improve further the underlying data for raw materials extraction.

Expanding cooperation and strategic partnerships

We will advocate the principle that no distortions to competition should arise to the detriment of German or European companies in the raw material supply chain. To this end, we will support German business in readopting a global presence in the entire raw materials value-added chain, and we will consequently follow new initiatives by German business towards safeguarding raw materials. Raw materials partnerships between states and raw materials alliances between companies are a sensible means of supplementing a shared European approach towards the international safeguarding of raw materials. In the course of an international raw materials conference to be held in Germany, we will organise global dialogue between politicians, representatives of industry and civil society. At the same time, we will work out improved voluntary certification systems involving all stakeholders.

Dismantling obstacles to trade

We will act to bring about a strong raw material strategy at European level as well as active representation of German and European raw materials interests in the



WTO and G20 round. It is important to dismantle tariff and non-tariff trade obstacles for raw materials, and to improve environmental and social standards in foreign raw materials extraction as part of development policy.

Expanding monitoring

We will give the German Mineral Resources Agency the task of monitoring critical raw materials and reporting regularly on the availability of raw materials that are critical for the German economy. We want to develop further the instruments of foreign trade for supporting the safeguarding of raw materials provision such as untied loans, in order to make it more practicable for companies to obtain long-term delivery contracts for raw materials. Furthermore, we will examine how the application process can be improved in order to make the instrument usable by more companies.

Industry

Germany plays a strong economic role thanks to its particularly high-performance industry, which enjoys an outstanding worldwide reputation. Whereas the proportion of industry in other countries continued to decline over the past few decades, Germany has not surrendered its industry, but developed it further. Owing to a far-sighted policy and good interaction between social partners, the industrial sector with its strong SME representation forms the foundation for growth, prosperity and employment. Goods production is the anchor of the industrial value-added chain which links suppliers and numerous service providers together. At the same time, public awareness of the importance of industry is declining. As a result, we will instigate a dialogue on the role and self-image as well as the social acceptance of future-oriented industry.

Strategic innovation policy

We are in favour of a strategic innovation policy which springs from Germany's traditional industrial core skills. We will support new, cross-sector networks and the formation of innovation clusters more strongly than before. We want to promote process innovations that further improve the interplay between industry and industry-oriented services (such as IT and logistics). We want partners from business, unions, science and education to come together in innovation alliances. We want to expand the instigation of innovation processes, such as through excellence cluster contests or networks such as

the National Platform for Electric Mobility on all lead markets – including in Europe.

These lead markets include, in particular:

- general engineering and plant construction as well as production engineering as important innovation drivers for systematic, energy and resource-saving production processes;
- new materials with particular potential for networking classic sectors with the key technologies of nanotechnology, microsystems technology, photonics and biotechnology;
- mobility and logistics with their broad-based value-added chains;
- the information and communications business as an interdisciplinary technology;
- the energy and environmental business with its numerous overlaps with other clusters and significant global demand for sustainable system solutions;
- the media and creative arts industries with their important contribution towards ground-breaking design of tangible and intangible products and services;
- the health business and medical technology, which is taking on particular importance in light of demographic changes.

The interdisciplinary areas of Industry 4.0, lightweight technologies and electric mobility are of particular importance:

- The Internet of things will play its part in factories. Intelligent networking within value-added chains can also reduce resource consumption. We want to play an active role in Industry 4.0, in order to maintain our technological leadership in general engineering.
- Promoting lightweight technologies makes an important contribution to efficient use of resources. We want Germany to develop into a leading provider in this sector. As a result, we will continue to promote and expand the industrialisation of lightweight construction concepts with an open approach to materials and technology across sectors.



- We will stand by the objective of making Germany into a leading market and leading provider of electric mobility. To this end, we will follow an approach which is open in terms of technology, and includes hydrogen, hybrid, battery and fuel cell technology. We will use the available equity resources of the KfW to launch a program with low-interest loans in order to purchase particularly environmentally friendly vehicles, thus specifically promoting electric vehicles as well.

Further support for key industries

Our objective is to maintain our own technology platforms and production lines in Germany or within the European grouping in key technologies and core IT skills (IT security, network technology, embedded systems, process and enterprise software, cryptography, machine-to-machine communication, etc.). As an alternative to closed digital ecosystems, the Federal Government is currently also supporting and promoting the development of open platforms and open-source solutions in the software area, and is advocating the same at European level. We want to reinforce the cachet of "software made in Germany" within global competition as a promise for quality in terms of security, data protection, design and user friendliness. We support processes of standardisation, interoperability and certification as important parameters for the market success of German products.

We also want to secure microelectronics as one of the key industries for the future in view of the digitalisation of our industry and the need to safeguard our own capabilities in this sector, as well as further improving the general conditions for this industry in Germany.

Aerospace plays an important strategic role in our industrial location, and is a cornerstone of European cooperation. It is a pioneer in the development and testing of new technologies, and acts as a driver for innovation in other economic areas by means of technology transfer. As a result, we will continue funding it according to the High-Tech Strategy, as well as consistently developing national funding and monitoring structures. We will continue to develop and expand the government's aviation research program.

The security and defence industry sector is of national interest not only from an economic perspective, but also with regard to technology and security policy. As a result, we will ensure that core skills and jobs are retained

in Germany, as well as the further development of technologies and capabilities.

We will strengthen the maritime sector, expand Germany into a high-tech maritime location again, and continue the National Maritime Conferences. The future strategy of "LeaderSHIP Germany" will be developed further. We will maintain existing financing instruments, especially the Commercial Interest Reference Rates (CIRRs) and export guarantees (Hermes), for shipbuilding. Shipbuilding and marine engineering will be included in the High-Tech Strategy, and the networking of the maritime sector with the offshore wind energy industry will be advanced.

Small and medium-sized enterprises, manual trades, retail and liberal professions

Small and medium-sized enterprises

Small and medium-sized enterprises are the highly innovative locomotive of employment for Germany. They combine regional routes with an international perspective. They make a significant contribution to retaining the value-added chain in the industrial location of Germany. Small and medium-sized enterprises, especially the manual trades, play a central role as the "tutor of the nation". We want to improve the basic conditions for the development of small and medium-sized enterprises, independent and start-up companies.

Funding for small and medium-sized enterprises: We will continue to fund small and medium-sized enterprises in a targeted way. We want to examine the retention provisions for individual companies. We will continue the "Entrepreneurial Regions" program. We will combine funding programs and simplify application processes so even more small and medium-sized enterprises can take part.

The Central Innovation Programme for SMEs (ZIM) is enjoying acceptance as an instrument for funding highly innovative small and medium-sized enterprises. This should be continued after 2014 in order to allow small and medium-sized enterprises to come up with even more innovations.

Financing small and medium-sized enterprises: We will reduce obstacles to the financing of small and medium-sized enterprises, and ensure that no new obstacles are



created. We will play a strong role in ensuring classic financing for small and medium-sized enterprises via savings banks, credit unions and mutual savings banks, private banks and development banks as well as Bürgschaftsbank banks (privately organised, state-supported development banks). In future as well, export-oriented German companies will require support to safeguard foreign trade by Hermes insurance. Export and project finance by the state-owned KfW-Bank for small and medium-sized enterprises must be continued. We will critically monitor the introduction of the Third Basel Accord, and intervene with improvements if necessary. Financing conditions are currently good, and must be passed on by the banks to small and medium-sized enterprises.

Manual trades

We want to see strong manual trades. Germany will play a constructive role in the European discussion on increased openness of the internal market for services. However, we will continue to insist that the Meisterbrief (master craftsperson's diploma) is not diluted by measures taken for the European internal market, and will be maintained.

We are committed to the guilds. We encourage them in the further development of their service function for member companies. In order to be accepted by their member companies, the guilds must make a palpable contribution by aligning themselves even more strongly with the principle of self-management and upholding the interests of small and medium-sized enterprises in particular. Transparency of decision-making is an important component of the democratic principle.

Free collective bargaining is in large part responsible for the success story of manual trades. In order for manual trades to continue to prosper in future, we want to strengthen the social partnership and collective bargaining coverage. We appeal to the guilds as corporations under public law to accept their important social role and responsibility by making themselves available as collective-bargaining partners.

Retail

Retail is currently undergoing structural change. By working together with the companies and associations, municipal authorities and unions, we will create a platform in order to indicate new prospects for the retail business – not only to prevent our inner cities from be-

coming retail ghost towns, but also in order to guarantee provision in rural areas.

Liberal professions

Independent workers and freelancers represent an important part of the small and medium-sized enterprise scene, and are a focus of our economic policy. We will advocate the retention of self-management of guilds and associations for liberal professions at European level.

Start-up companies and financing for growth

Today's start-up companies are tomorrow's small and medium-sized enterprises. This is why we want to promote start-up companies. We want to see targeted support for tried-and-tested coaching of new entrepreneurs, especially in company start-ups by previously unemployed people.

We want to increase the attractiveness of equity investments, particularly in newly founded companies. To achieve this, we will improve the general conditions for investors in accordance with existing means so they can utilise their capital to support young, rapidly growing companies primarily in the high-tech sector. The High-tech Gründerfonds (funding program for high-tech start-up companies) provides a viable instrument for early-phase financing and should be adequately continued. We want to make the legal and tax conditions for venture capital internationally competitive, and make Germany attractive as a location for investments. An independent body of rules is required for this. New forms of financing such as crowdfunding also require a reliable legal framework.

We will promote the foundation of cooperatives such as other start-up companies. We will develop suitable funding instruments for this purpose, and adapt existing ones. We will once again give cooperatives the opportunity of obtaining finance in the form of investments by member loans.

Regional structural policy – strengthening German units

Regional structural policy

We will retain the joint scheme for improving regional economic structures (GRW) as an independent instru-



ment for providing funding to structurally weak regions. The different joint schemes of improving agricultural structure and coastal protection (GAK) and the one for improving regional economic structures must be coordinated with one another.

In view of the decline in funding from the European Structural Fund and the planned discontinuation of the investment premium at the end of 2013, the joint scheme for improving regional economic structures will become more important as a means of reducing regional economic differences. We want to upgrade it to the level of 2009 by reallocating budgets within departments.

From 2020 onwards, it will be necessary to have a further developed system of funding structurally weak regions. Such a system must concentrate on the structurally weak regions in the relevant federal states, thus eliminating the divide between east and west. We want to work out the bases for a system of this kind during this legislative period, in order to establish the security needed for planning in the period after 2019 for the federal states and regions. Our objective is for people all over Germany to enjoy equivalent living conditions.

Strengthening German unity

Through major financial efforts and the commitment demonstrated by people in east and west, we have succeeded in developing the new federal states into attractive regions with a good quality of life. Economic competitiveness has increased. At the same time, the favourable economic development of our country has meant that unemployment in the new federal states has fallen to the lowest level since reunification. In spite of all the progress that has been achieved, however, significantly more people are unemployed there than in western Germany. Concurrently, the effects of population migration can be clearly felt in the east. In view of this situation, creating equivalent living conditions represents a major challenge for the country as a whole, and the coalition is aware of this.

We want to achieve stability as well as good economic and social development in eastern Germany. Investments in the industrial sector, in research and development as well as in the opportunities presented by rural regions are of great significance in achieving this goal.

We want to implement the funding in the Solidarity Pact II in accordance with the agreement. Whether and to what extent we gradually transfer the special funding

programs for the eastern German federal states into an overall German system for structurally weak regions will be the subject of debate in the Federal Government/federal states financial commission to be established. The Federal Government/federal states joint scheme for improving regional economic structures should serve as a starting point in this regard.

We want to continue investment funding at a high level and develop it further. We want to simplify application processes and offer handling procedures electronically to an increasing extent. At European level, we will advocate continuing to support reconstruction in the east. The instrument of the research company proved successful in eastern Germany, and we want to continue with it.

The economic development companies of the eastern German federal states should continue to be supported in opening up international markets and winning appropriate investors on behalf of the Germany Trade and Invest Company.

We want to continue with the success story of "new federal states as a scientific location". We want to continue supporting research and, in particular, the transfer of acquired knowledge into new products and processes, since this is the only way a self-supporting upturn can be achieved involving higher productivity and growth in incomes. We recall the decision by the Federalism Commission, according to which new federal institutions should preferably be located in eastern German federal states.

The transition in energy policy represents a major opportunity for the new federal states, both as a site for producing hardware as well as for generating renewable energies. Lignite also continues to play an important role in the economic structure.

Scarcely any other region in Europe has been and continues to be so significantly affected by population changes as the eastern German federal states. The consequences can clearly be felt above all in the rural, structurally weak regions. We want to show how a society with low population levels and a relatively high proportion of elderly can nevertheless retain a high-performance infrastructure. To achieve this, we want to launch further pilot projects in order to gain insights that will be helpful for other regions of our country set to undergo the same developments over the coming years and decades.



An effective transport infrastructure forms the basis for good economic development. We want to improve connections between Baltic Sea ports and airports with national and European transportation routes, as well as the railway connections to Poland and the Czech Republic. This applies particularly with regard to the dynamic economic development and the significant opportunities related to closer cooperation with our eastern neighbours. This also includes achieving the trans-European axis reaching from the Baltic to the Adriatic and the Black seas, which we will support further.

Culture and the creative industries

Culture and the creative arts industries offer significant economic and cultural opportunities for our country. A comprehensive concept will be required in order to encourage it in accordance with its importance and potential, and develop it further. For example, the coalition will continue and intensify support provided by the Federal Government as part of the "Initiative for Culture and the Creative Industries". Business development programs must also be opened up more to cultural industries. At the same time, the definition of innovation used in the Federal Government's funding programs should be opened up and expanded for culture and the creative industries. In addition to better consulting, there is a need for new model projects and funding for research, development and technology. Funding possibilities for culture and the creative industries should be assembled in a database. Germany's participation in EU funding programs must be increased through improved consulting.

Tourism

Tourism in Germany is an important economic factor which provides employment for many people, especially in rural areas. At the same time, tourism needs to offer good value for money, quality and friendliness in service as well as additional efforts being made to provide access for people with disabilities. The hospitality industry must make more efforts to attract qualified workers, such as by improving training initiatives. Expansion of the tourist infrastructure must be supported further with existing, tried-and-tested promotional tools. The German National Tourist Board (DZT) should continue to support the international marketing of Germany - The travel destination at the previous level, as well as contributing to increasing awareness of tourist areas that have not attracted as many visitors as others to date. We want to establish an initiative for cultural tourism, and design it

in cooperation with the Ministries of Culture and Economics. The main objectives are to train players from the fields of culture and tourism in cooperating with one another as well as promoting model projects and innovative forms of cooperation.

Company succession

To facilitate company succession we will support online platforms such as "nexxt change" operated by the guilds, and expand it further. Company succession should not be endangered by inheritance tax in future either. As a result, it is necessary to achieve a constitutional program of taxation of inheritance and gifts which is friendly to small and medium-sized enterprises, giving provision for a tax exemption if there are no job cuts.

Legal framework

With regard to warranty law, we want to ensure that manual trades and other entrepreneurs do not end up shouldering all the costs of defective products which are the responsibility of the supplier or manufacturer.

In the interests of small and medium-sized enterprises, we advocate the creation of a European private company ("Europa-GmbH"). In doing this, we will ensure that national regulations on co-determination, tax and commercial register law are not sidestepped.

In future, insolvencies in a group of enterprises should be dealt with more efficiently through more intensive coordination of the individual insolvency proceedings. Furthermore, we will take a close look at the law on de-feasibility in insolvency in the interests of establishing the security needed for planning during commercial transactions as well as giving the workforce the security of knowing their wages will be paid.

Cutting red tape and achieving better regulation

Removing unnecessary bureaucracy increases the competitiveness of our companies, especially the small and medium-sized enterprises. Efficient public administration and low costs of compliance represent a significant locational advantage. We want to continue noticeably reducing the burden on business and citizens caused by unnecessary bureaucracy. To achieve this, we want to promote projects in which companies and associations, the National Regulatory Control Council and government ministries, regional and municipal authorities all work together to identify possible simplifications and ensure



correspondingly better regulation. In suitable cases, we will subject regulations to a practical trial before they are decided upon. Laws must be written in a straightforward, comprehensible and targeted manner in order to avoid bureaucratic burdens, or at least keep them as light as possible.

It is also necessary to have initiatives for company-friendly administration, such as through consistent implementation of e-government for electronic communication between companies and public authorities. We want to reduce the burden of mandatory information and verification provision, as well as cutting the costs of compliance.

We advocate a more effective regulatory control mechanism at European level. The European Union must itself impose fewer regulations. This concerns not only existing regulations, but also the passage of new ones. Furthermore, we will take measures to ensure that all future EU legislation is examined to see whether small and medium-sized enterprises can be exempted from certain regulations.

1.2. Investing in Germany's future: Education and research

Universities

Education, science and research are of particular importance for social development, equal life opportunities for people and the international competitiveness of our national economy. The clear setting of priorities in favour of education, science and research as expressed in the 10 percent target, has been implemented successfully by the Federal Government, federal states and local authorities over recent years. This must be continued and reinforced in the years to come. We want to boost investment in education, science and research through cooperation between the Federal Government, federal states and local authorities so participation, integration and equality of education can be truly achieved in our society, and so our prosperity can also be retained for future generations.

Future of the science sector

The German science sector makes a decisive contribution to securing the future of our country and our society. This science sector is focused on universities which

combine research and teaching in a unique way. They are of particular importance and they achieve outstanding performance in the education and training of young scientists as well as in science and research.

We want to uphold the dynamic development of the Excellence Initiative, the University Pact and the Pact for Research and Innovation, developing their activities further for the science sector and expanding funding for science overall. Our key concerns are to strengthen universities, strengthen the scientific organisations and promote strategic profiles and cooperation in the science sector. We guarantee the security needed for planning and create a sustainable prospect for the German science sector.

Continuation of the University Pact

We aim to continue the University Pact and rapidly initiate negotiations regarding the third phase. This should involve universities receiving more money for proper instruction and offering courses that provide a greater number of students with successful qualifications, while upholding quality. The objective of opening up university access to larger numbers of people with professional qualifications is something we will also anchor in the University Pact.

Further development of the Excellence Initiative

The Excellence Initiative by the Federal Government and federal states has brought a new impetus to the German science sector in a very successful way, and we want to continue and expand it. In doing so, we will develop the lines of research which have proven particularly effective into scientifically led processes and move them into new forms of funding. At the same time, we want to take account of the special situation of successful projects from the second round of the Excellence Initiative. Furthermore, we will provide more funding for regional associations.

Continuation of the Pact for Research and Innovation

The Pact for Research and Innovation (PRI) has succeeded in raising the international competitiveness and innovative capability of the German research landscape significantly. We will continue funding the five scientific organisations, Deutsche Forschungsgemeinschaft, Max-Planck-Gemeinschaft, Helmholtz-Gemeinschaft, Fraunhofer-Gesellschaft and Leibniz-Gemeinschaft with reliable increases up to the year 2015 and beyond. We will



agree on specific targets with these scientific organisations regarding equality, promotion of young talent and greater cooperation, especially within the science sector.

Improvement of basic funding for universities

The universities are at the heart of the science sector. Over the coming years, science policy must focus on providing them with reliable prospects and the security needed for planning. Over the next four years, the Federal Government will provide universities with more money for basic funding.

Plannable and reliable career paths in science

Short-term employment contracts due to qualification phases, research projects with a limited time period and other objective reasons are part and parcel of working in science; however, their prevalence – especially over very short time periods – has reached such an extent in recent years that it is time to act. The primary role in counteracting this trend lies with the universities and research institutions as the employers. We welcome corresponding activities by scientific organisations, and we will accompany their efforts by an amendment to the Law on Fixed-Term Contracts in Higher Education and Research. We want to create plannable and reliable career paths for young scientists. As part of its funding and in agreements on new instruments, the Federal Government will be concerned to see that employment contracts have adequate terms.

Equality of opportunity in the science system

In spite of important progress made over recent years, women still face a structural disadvantage in the German science sector. The proportion of women declines continuously from first degree courses and on to doctorates, the post-doctoral phase and further qualification up to professor level. A future-oriented policy must create the conditions necessary for women to be appropriately represented on all levels of the science sector, although primarily in leadership positions. As a result, when making agreements on new funding instruments for science, we will in future expect equality standards to be maintained and specific targets for more women in leadership positions to be defined. Defining target quotas by means of the cascade model is essential; consistent implementation of this in research organisations is something we will expressly demand.

We will continue the successful female professor program. In order to promote work/life balance, we want to support universities and scientific organisations additionally in establishing family-friendly structures.

Increasing the accessibility of the education system – better coordination between academic and professional education

We are taking a particular look at transitions between professional and academic education, which is an area where Germany currently lags behind despite some progress. We will support stakeholders in both areas in developing and disseminating bridging opportunities for people with professional qualifications to access university study and academic continuing education opportunities. By expanding the "Advancement through Education: Open Universities" competition, we will support universities in developing tailor-made offers for the target group of individuals with professional qualifications. Also, we will support stakeholders in developing further and systematising their offers to those changing from a course of study to professional education.

Strengthening the humanities, cultural and social sciences

We will expand funding for humanities, cultural and social sciences in Germany, in particular through interdisciplinary and cross-sector initiatives. In our funding for humanities, cultural and social sciences in Germany, we will emphasise European and international aspects, provide specific support for young people, expand information infrastructures and establish colleges of humanities, cultural and social sciences in countries outside Europe. Successful promotion of "small subjects" will be expanded by (new) initiatives for networking.

Digitalisation and infrastructure in science

We will initiate a strategy for digital transition in science, for example, by improving access to and usability of complex research data. Together with the federal states, we will establish a Council for Information Infrastructures as a venue for debate between stakeholders in the science sector for working out interdisciplinary and cross-institutional strategies and standards. Furthermore, we want to strengthen virtual research environments that permit researchers to use digital media to work together across disciplinary, institutional and geographical boundaries, with the objective of developing new research methods and research subjects from this.



We want to develop the National Roadmap Process further for large research infrastructures, taking account of new possibilities for cooperation between the Federal Government and federal states. All scientific institutions and research organisations should be included in this – also in view of the importance of using such infrastructures for universities in particular. We will continue to play an active part in shaping research infrastructures of European and global importance at European and international level.

Internationalisation of science

We want to achieve a new level of quality in international scientific cooperation and to develop the internationalisation strategy further. In doing so, we will reach an agreement with the German scientific and research organisations regarding increased networking of their activities for internationalisation, and support them in this.

Furthermore, we will push ahead with the strategic development of research cooperation with newly industrialising, developing and transition countries.

Today already, Germany is the third most important host country for foreign students following the USA and the UK. By the end of the decade, we want to ensure that the number of foreign students has risen by about one third to approximately 350,000. We want specifically to expand the mobility of German students. We want one in two graduates to have experienced living abroad as part of their courses.

The central impetus for the topic of mobility in universities and research institutions is provided by the German Academic Exchange Service (DAAD) and the Alexander von Humboldt Foundation with their numerous branches which promote Germany as a location for education and science within the context of international university marketing. We want to increase their effectiveness and utilise synergy effects.

Scholarships for outstanding students

For decades now, the Federal Government has successfully funded gifted young people by supporting the scholarship and bursary-giving institutions as well as the Vocational Training Foundation for the Highly Talented (SBB). We will continue with this commitment in order to ensure a supply of highly qualified young people. We will continue the Germany Scholarship during this legislative period, targeting 2 percent of students.

General education

Widespread dissemination of cultural education

Cultural education opens up new worlds and makes a significant contribution to formation of the personality. Consequently, all children and young people must have access to cultural education. The "Kultur macht stark" program of cultural promotion allows us to make a contribution towards the dissemination of cultural education.

Political education

Political education is a central element for strengthening our democracy. We also want to strengthen extracurricular political education, not least through the political foundations.

For the specialists of tomorrow: expanding MINT education (MINT = mathematics, information technology, natural sciences and technology)

We will strengthen MINT education, promote innovative capability and take early measures to counteract the shortage of skilled personnel in the MINT area. Together with the scientific and business communities, we support the "Little Scientists' House". We want to reach 80 percent of all child daycare centers by 2015.

Digital education

Together with the federal states and stakeholders in all areas of education, we will develop and implement a joint strategy of digital learning that makes decisive use of opportunities presented by new media for good education.

The free provision of digital teaching materials must be strengthened together with the federal states. The basis for this is provided by copyright law with favourable terms for education and research, as well as an extensive open-access policy. Schoolbooks and teaching materials should also be freely accessible at universities as far as possible, and the use of free licences and formats should be expanded.

It is not just in schools and child daycare centers that we would like to teach IT skills and working with digital media. A strong digital economy needs good specialists, as a result of which the Federal Government and federal states will cooperate to strengthen education and train-



ing in the areas of IT and technology in a practically oriented way.

We support the promotion of scientific competence from primary school to university. In doing so, we fund programs and competitions in the MINT subjects, together with contemporary IT teaching from primary school onwards. In order to allow knowledge to be communicated appropriately, there is an urgent need for teachers to be provided with continuing education opportunities in media skills. Furthermore, we are also striving to ensure that an adequate number of places are available on master's courses in the IT sector. Above all, girls and young women should be attracted specifically to these professional areas. Setting up a network of female mentors in the digital economy is a suitable measure to this end. The proportion of female students participating in information technology and electrical engineering courses, for example, should be increased. In the MINT subjects too, we are increasingly focussing on young female schoolchildren and female students.

Taking the example of elite sports schools, we will begin discussions with the federal states to encourage them to set up IT/digital academies focussing on information technology. Cooperation with universities or research institutions is imperative, and it may also be necessary to work with private partners.

Educational research

Empirical educational research provides important insights into educational pathways and the effectiveness of measures. In the coming years, we want to place new emphasis on the areas of inclusion within the education system as well as professional education and the question of transitions. The Federal Government will safeguard educational statistics by an amendment to corresponding laws.

Professional education

Professional education in Germany is a success story, and offers many people outstanding qualifications and, as a result, positive career and life opportunities. It makes an important contribution to safeguarding our future supply of specialists and our prosperity. The coalition will focus on strengthening professional education.

Job opportunity

In light of demographic change, it is unacceptable now more than ever that young people fail to reach their potential. We want to reach out to all young people. Career advice has a preventative effect, is oriented towards individual educational biographies and also breaks down gender-specific models. Schoolchildren, apprentices, students and those interested in continuing education should be systematically provided with advice in order to open up for them various educational pathways. As a result, we will launch a locally based network of career advice and information points.

In cooperation with the federal states, we will expand the successful "Educational Chains" initiative so as many young people as possible recognise their potential at an early stage, are able to research career options and thus complete their schooling with the appropriate qualifications. We will expand the career entry support at the transition to apprenticeship, make use of opportunities for assisted apprenticeship and create more connection possibilities between the various educational pathways.

Alliance for apprenticeship and continuing education

We will cooperate with social partners and the federal states to develop the Education Pact into an "Alliance for Training and Continuing Education". The objective of the Alliance is to implement the apprenticeship guarantee in Germany. No young person should be allowed to be left behind or waste valuable time in holding patterns. Together with partners in the alliance, we are supporting young people with less favourable initial prospects, in particular by providing assistance in parallel to their apprenticeships and the assisted apprenticeship. We want to examine apprenticeship quality and deter people from giving up apprenticeships. At the same time, integration of young people with disabilities into professional training (inclusion) is one of our particular concerns. We will work with the federal states to examine the measures available in the transitional system and for promoting professional training, and orient them towards vocational professional training that provides full qualifications.

Strengthening dual training

We want to strengthen and modernise dual training. We will evaluate the Vocational Training Act and examine amendments in particular with regard to increasing accessibility, strengthening the quality of training and graduated training courses, forming job families and



safeguarding the honorary post in review panels. We also underscore the high value of the consensus principle in working on professional code by the public sector and social partners.

Intercompany vocational training centers and centers of competence make important contributions towards career orientation and supporting small and medium-sized enterprises that offer training to staff. As a result, we will continue to fund these at the present level.

Recognising skills

We will amend the Law on Improving the Consideration and Recognition of Professional Qualifications Obtained Abroad ("Law on Recognition") where necessary. Migrants who still need to complete qualification measures in order for their qualification to be regarded as equivalent should be financially supported. We will strengthen counselling structures in Germany and abroad, and improve support.

We want to develop and test new processes leading to transparency and recognition for people who have acquired so-called informal skills they cannot verify by certificates.

International educational cooperation measures

At European and international level, we are making our contribution towards improving the career prospects of young people and reducing the high level of youth unemployment in the EU. We support the European Alliance for Apprenticeships of the EU member states in the form of counselling and flagship projects. We cooperate with partner countries worldwide who are interested in dual training, to assist them in setting up and modernising successful vocational training systems. Our apprentices and trained specialists should be able to move successfully in international markets and develop intercultural skills. As a result, we want to double the proportion of young people who spend time abroad during their training.

Expanding further education

Life-long learning is more important than ever before in view of demographic changes. We want to tackle this task facing the whole of society as part of the "Alliance for Training and Continuing Education".

We are convinced of the need for equality between professional training and academic education. We have documented this in the form of the German Qualification Framework. We will ensure that new graduation certificates indicate the particular level of qualification. We will improve accessibility and support employed people who wish to develop their career through education.

The coalition will amend the Career Advancement Promotion Act (AFBG) for this purpose with the objective of improving funding payments and expanding funding possibilities. As a means of promoting the equality of general and professional education, we want to allow graduates from bachelor courses to access funded professional development training if they can demonstrate corresponding professional experience. We will continue the upgrading scholarship.

A democratic community is reliant upon informed citizens. As a result, it is a particular concern for us to strengthen general continuing education. The coalition wants to continue and intensify the fight against educational impoverishment. We will develop the literacy strategy of the Federal Government and federal states into a decade of literacy, and expand its funding. We want to continue the successful learning subsidy.

Research

Over recent years, Germany has enjoyed significant growth in investment for research and development owing to the combined efforts of the Federal Government, federal states and the business community. We will push ahead with this positive development by providing consistent support to university research, expanding funding for programs and funding for non-university research organisations. We will strive to keep investments in research constantly at three percent of GDP.

High-tech and innovation strategy for Germany

We will develop the High-Tech Strategy into an extensive, interdepartmental strategy of innovation for Germany. The major social challenges we aim to overcome through this innovation strategy include above all changes such as demographic trends, digitalisation and development of a sustainable economic framework. We want to examine these future tasks as a joint venture involving the scientific community, society, business and politics, taking account of technological and social innovations. We will support accompanying research in the humanities and social sciences as well as interdisciplinary



nary cooperation in order to strengthen the responsible handling of research and its results. We will intensify the expansion of European and international research cooperation.

Research for people's health

Health research will continue to occupy a prominent position in our funding efforts. We will continue to develop the concept of the German Centres for Health Research in a science-led process.

Under the heading "Health over Lifetimes", we will place the emphasis on patients and instigate new initiatives for modern paediatric and youth medicine, occupational medicine as well as sexual health and geriatrics, as well as from the perspective of prevention and sustaining a healthy life. We want to strengthen individualised medicine further through innovative structures and broadly based research.

We will strengthen healthcare research, in order above all to improve the everyday care of patients. This primarily includes not only the nursing sciences but also biometrics, epidemiology and medical computer science, as well as the establishment of clinical registers to the extent that continuous financing is guaranteed in the healthcare system.

We will strengthen research into active ingredients, for example, promoting the development of new medicines in the field of antibiotics in order to combat multi-resistance and sepsis. We will also fund medical technology. By boosting research into neglected, poverty-related illnesses and entering into research cooperation with affected regions, especially in Africa, we are contributing to breaking the vicious cycle of poverty and sickness in developing countries.

Research for energy supply, climate and resources

Energy research will be consistently targeted towards the transition in energy policy. The preconditions for this are research and development into intelligent solutions especially in the areas of energy efficiency, saving energy, renewable energies and supply systems (including storage facilities, grid systems and system services by renewable energies). In the energy research program, the coalition will adopt new, system-oriented research approaches of a general nature in order to access additional potential for the innovation process along the entire value-added chain. In this, project funding repre-

sents the suitable control instrument for allowing targeted political action. Consequently, we will consolidate funds in the energy research program.

Also, we will take account of the European dimension of the subject through appropriate networking of research measures, thereby also including developments in digitalisation and the Internet. We want to strengthen climate research with the focus on climate modelling and predicting the regional consequences of climate change. The same applies to research into the opportunities and risks as well as options for action.

By funding bio economics, we want to push ahead with the change from an economy predominantly based on fossil fuels towards one that makes efficient use of raw materials and is based on renewable resources, thereby supporting the transition in energy policy. Oceanographic and polar research also makes important contributions to research into climate change. As a result, we will strengthen research in these areas at the same time as consistently continuing with the renewal of the German research fleet.

Research results must be converted rapidly into innovative and marketable products. The process of innovation leading to market launch should be accelerated significantly, including with regard to growing global demand for innovative energy technologies and the strengthening of Germany as an export-oriented technological location. We will continue to fund fusion research according to the defined, limited level.

Nuclear safety and disposal research

The coalition will focus nuclear research on important future topics. Through institutional and project-funded nuclear safety and disposal research, we will make an important contribution to improving safety in Germany and abroad, resolving questions of nuclear disposal and maintaining skills in Germany, something which is particularly necessary for the purposes of international cooperation as well. After the recommencement of the repository investigation, we will enhance repository research.

IT security research program

A funding program entitled "Innovation in IT Research and Security" will be developed further for strengthening national R&D activities in these areas, in the course of which security and user-friendliness will be brought into



equilibrium for different user groups. Open-source approaches will be prioritised in the bid process, namely ones which provide open access to their results and the developed systems. We will examine the introduction of unified standards for making data and results available. We will initiate a new research program on IT security, "Self-determination and Security in the Digital World". In addition, it is important to expand IT security skills as part of the training of young specialists.

Raw materials research

Raw materials and their efficient use are of strategic importance for Germany's high-tech industries. We will target research funding to assist in improving the provision of raw materials for Germany's high-tech industries.

Research for future mobility

The mobility research we fund will in future be increasingly focused on the entire bandwidth of mobility opportunities, including social and social-science aspects. In terms of automobile research, we regard the challenges of research – in the context of the electric mobility platform – as continuing to affect energy storage and energy consumption under practical conditions. Furthermore, we advocate the use of modern information and communication technology for networked, safe and efficient mobility.

Developing innovative solutions for the safety of citizens

Through funding cooperative research involving the scientific and business communities and users themselves, we want to develop solutions which will enable us to deal more effectively with crisis situations, for example, caused by natural disasters and accidents, thereby reducing the consequences of all these events as far as possible for citizens. Consequently, we will continue to develop civil security research, adopting the approach of user orientation.

Research for tomorrow's work

We want Germany to maintain its leading role as a site for industry, production and services, and as an exporting nation. This will only be successful through innovations, continuing organisational and technical change of production and service processes. Through close cooperation with social partners, we want to advance research into work, production and services, and we will launch a new funding program for this purpose. This will contrib-

ute to safeguarding a high level of employment and providing decent conditions in the workworld.

Transfer of scientific knowledge and validation funding

Germany reinforces and accelerates the transfer of new discoveries from the field of research to society and the economy. We want to extend regional and thematic cluster structures as well as increase their economic impact through reinforced European and international networking. Furthermore, we will create new instruments for achieving a better transfer of innovations from basic research at universities into usable services and products. A further development of validation funding should make decisive progress with this transfer.

We want to tap the significant potential for economic and social change, whether in the form of new business models, services or cooperation agreements, by setting up and expanding suitable open-innovation platforms for new approaches to creative solutions. In particular, we are addressing small and medium-sized enterprises so they can push ahead with new developments together with consumers, international partners, large companies, universities and research institutions.

Cutting-edge research for the new federal states

We will strengthen the build-up and expansion of a broad-based scientific landscape and high-performance, cutting-edge research in the new federal states. The programs which in particular support regional scientific and economic clusters – such as "Entrepreneurial Regions" and "Twenty20 – Partnership for Innovation" – will be continued.

European Research Area

We will discharge our responsibility in completing the European Research Area (ERA) and consistently implement our ERA strategy at national and European level. For this purpose, we want to improve the mobility conditions of researchers, continue with development of joint program planning, build up joint research infrastructures, facilitate knowledge transfer, support gender equality in the European science sector and expand cooperation with third countries outside Europe.

We firmly believe it is necessary for each member state to adapt its strategy to the varying conditions of national systems when it comes to the design of the ERA; harmonising legislative initiatives by the European Commis-



sion are detrimental to the variety of research systems in Europe which promote competition and, with that, science and innovation.

We want to support and expand the participation by the German scientific and business community in the new research framework program "Horizon 2020".

At the same time, German science should play an active role in strengthening the European scientific and innovation sector overall. In achieving this, we also rely on bilateral innovation consulting as well as shared research and development projects with the new member states in Eastern and South-Eastern Europe, in particular those EU member states affected by the economic crisis.

Funding research for small and medium-sized enterprises

We will provide greater access by small and medium-sized enterprises to funding for research and development, including through cooperation with universities and non-university research institutions, so as to support technologically oriented innovation activities in Germany.

Departmental research

Departmental research makes important contributions to the structure of the national German scientific landscape. We are striving to strengthen departmental research, and will ensure that all departmental research facilities can benefit from the advantages of the Freedom of Science Act.

Expanding research at universities of applied sciences

Funding research at universities of applied sciences offers small and medium-sized enterprises in particular major opportunities for promoting innovation, in regional cooperation. We will expand funding by the Federal Government for applied research at universities of applied sciences and will extend the funding options, as well as strengthen the possibilities for joint doctorates with universities in order to enhance the profile of the science sector. What we expect from the German Research Foundation (DFG) is for it to increase involvement in its programs by universities of applied sciences.

Securing the supply of specialists

Demographic change has a direct effect on the availability of specialist workers, and in turn on the performance of the German economy as well as our social systems. We will do everything to maintain prosperity as well as promoting growth and equality of opportunity by meeting our requirements for specialists, while providing people better income opportunities. We regard this as the major task of this legislative period affecting the whole of society.

First and foremost, we are focussing on people in Germany. However, the opportunities for attracting qualified specialists in the global and especially the European labour market to come to our country are important to us. We note the following points of emphasis with regard to the specialists' concept:

Increasing efforts should be made in the labour market towards focusing on young people, since we want to prepare them for a successful entry into working life as early as possible. We will promote the sustained integration of migrants into the labour market. Instruments for this include increased involvement in education, networks, programs of integration and post-qualification, better recognition of educational qualifications as well as competent counsel.

In order to retain employment capability, we want to strengthen the principle of life-long learning and the involvement of older people in continuing education. We advocate that the Federal Employment Agency should develop further the support it offers people returning to the labour market. Above all, particular emphasis will be placed on single parents and the long-term unemployed when it comes to basic social security provision for job seekers. People in the "hidden reserve" should be activated by means of specific contact with them. For many young parents, labour market policy measures and part-time vocational training represent the correct method.

We want to make all of this the focus of a new qualification campaign together with unions and employees, which should become a central building block in the National Pact for Training and Skilled Worker Development and can be linked to the Training Pact which is currently in place and will be continued. At the same time, we also want to safeguard dual training and retain the quality of the Meisterbrief (master craftsman's diploma).



Companies in particular are charged with redoubling their efforts towards creating a work world suitable for older people and the elderly as well as a personnel policy that takes account of demographic changes. We will support them in this through the "Initiative New Quality of Work" (INQA) and by continuing initiatives for employment of the over-50s. We continue to advocate immigration of skilled workers according to need, and in particular we wish to achieve greater mobility in the European labour market. Accompanying this, we want to improve the culture of hospitality for foreign specialists in Germany, thereby encouraging their desire to remain. As a result, we will continue the "Make it in Germany" umbrella campaign and increase the professionalism of regional networks for safeguarding the supply of specialist workers.

During the legislative period, we will examine the effectiveness of measures already introduced that are aimed at attracting and integrating specialist workers in the labour market (in particular the EU Blue Card including the changes made to the Residence Act, the Employment Regulation and the Law on Improving the Consideration and Recognition of Professional Qualifications Obtained Abroad), and we will draw necessary conclusions from this.

Strengthening participation by immigrants

We advocate sustainably improving the professional skills of migrants. To this end, we want to improve their opportunities in the labour market and take account of the need for specialist workers.

In many cases, immigrants possess professional and university qualifications they have obtained abroad. Too often, however, this potential goes untapped while our labour market is increasingly struggling to find the qualified specialists it needs. An important step in counteracting this would be the Laws on Recognition by the Federal Government and the federal states for professional qualifications obtained abroad. The quality of counsel must be improved in this case.

We continue to advocate socially acceptable procedural costs. Implementation of laws indicates there are increasing requirements for individual adaptation and supplementary qualifications. As a result, we will make even better use of available funding opportunities within the context of funding for training (Federal Training Assistance Act (BAföG), Career Advancement Training Promotion Act (AFBG), German Social Code (SGB) III) and ac-

tive labour market policy, expanding them if necessary - among other things as part of an ESF program "Qualification of Migrants in the context of the Law on Recognition". Furthermore, we will examine whether a nationwide scholarship program can be launched as an additional, medium-term measure for funding compensatory measures for applicants residing in Germany, but who do not have any right to claim under the German Social Code (SGB) II or III.

1.3. Investing in Germany's future: Infrastructure

Transport

Mobility is an important prerequisite to personal freedom, participation in society as well as prosperity and economic growth. A high-performance transport infrastructure forms the basis of this. It ensures our European and global competitiveness. Over the past decades, transport policy has achieved great successes, especially in the completion to a large extent of transport projects for German unity. In view of the structural financing shortfall which has persisted for many years, we will place planning and financing of our transport routes on a new, sustainably reliable and efficient footing by means of fundamental reform.

Network-oriented federal transport infrastructure planning

We will push ahead rapidly with the launch of the new Federal Transport Infrastructure Plan 2015 – 2030 (BVWP) as intermodal network planning on a transparent basis with public consultation. At the same time, we will focus on ensuring that new and expansion projects are of an appropriate scope. It is not possible to meet every demand. In the new Federal Transport Infrastructure Plan and in the laws for expanding rail, road and inland waterway transport, a "national priorities concept" will be defined for particularly urgent projects of national importance requiring rapid implementation. In future, there will be a target for 80% of the funds allocated to these projects to go into new building and expansion. This includes the expansion of transport nodes with high levels of capacity utilisation, links between seaports and their hinterland and major arteries, closing important gaps in the nationwide network as well as incorporating trans-European transport routes and those that have been agreed upon in international treaties.



Increasing investment funding

We will create a reliable financing basis for the transport infrastructure of the Federal Government. Over the next four years, we will substantially increase Federal Government funding for the transport infrastructure.

This funding will be boosted by additional revenues from user-based financing through trucks. Existing truck tolls will be expanded to cover all federally funded highways. The truck tolls will be developed further in light of the results from the new report on transport expenses. Points of orientation in this case would be: tonnage, network, external costs. We will ensure that net revenues from user-based financing will be completely ring-fenced for investments in the transport infrastructure.

To provide additional finance for the maintenance and expansion of our motorway network, we will charge a reasonable amount to owners of cars not registered in Germany (vignette), ensuring that no vehicle owner in Germany will pay any more than they do at present. This will be designed in accordance with EU law. A law to this effect should be passed in the course of 2014.

As a means of ensuring sustainable financing for the transport infrastructure as well as guaranteeing planning and financial security over many years, the Federal Government's budget will create the necessary budgetary conditions. Investments that are not used in the transport sector will be passed into the next year and be available without reductions. A mutual coverage capability will be made possible between the modes of transport with an obligation of offsetting (Ausgleichspflicht). Net income from user-based financing will be channelled into the transport infrastructure without deductions.

Public/private partnerships

The further development of public/private partnerships (PPPs) requires broad social consensus. We want to use the possibilities of cooperation between public and private backers or infrastructure companies as an additional procurement variant if this allows cost savings to be achieved and projects to be implemented more efficiently. As with awards of contract, the situation must be examined transparently on a case-by-case basis and independently verified. We will conclude public/private partnerships which are friendly to small and medium-sized enterprises. We will evaluate and standardise the methodology of economic feasibility studies.

Ration between maintenance and expansion

After decades of expanding the network, the priority is now to safeguard what has been built. As a result, our top priority is as follows: maintenance and renovation before expansion and new construction. The strategy of upgrading bridges, tunnels and locks is one we will continue and strengthen.

Future of the Railway Service and Financing Agreement

Before the current Railway Service and Financing Agreement (LuFV) expires, we will conclude a new agreement with DB AG. This must define additional quality criteria in order to ensure that the extent and capacity of the railway network is retained.

Transport infrastructure report

As the basis for future prioritisation of investments in upkeep and renovation, we will present a transport infrastructure report every two years which will make it clear what is the status of federally funded transportation routes, documenting where improvements are required and providing information about necessary investments.

Local authority transport financing

The Federal Government will remain a reliable partner to municipal authorities in financing municipal transport. In return, we expect the federal states to earmark funds for investments in transportation routes (local public transport infrastructure and municipal road building). We will strive for reliable follow-up financing for the Local Authority Transport Financing Act/Federal Government program for the period after 2019. We will consult on this issue in the course of reforming financial relationships between the Federal Government and federal states.

Noise abatement

Acceptance for mobility and further modernisation of the infrastructure decisively depends on reducing noise levels. As a result, we will significantly improve protection against traffic noise and introduce regulations for inter-modal noise abatement on federally financed long-distance roads and federally financed railway lines. The overall noise levels from road and rail must serve as the basis for noise abatement measures. The voluntary program of noise protection improvement for existing



routes will be expanded and provided with legal protection. The state of the art in noise reduction must be introduced more consistently into practice.

We want to cut noise from railway lines in half nationwide by 2020. From that point on, loud goods wagons should no longer be allowed to operate on the German rail network. We will continue to provide subsidies for the changeover to noise-reducing brakes. We will evaluate the status of the changeover in 2016. If, by this time, less than half of the goods wagons operating in Germany have been converted, we will introduce regulatory measures during this legislative period to impose restrictions on goods lines with high levels of traffic – e.g. prohibitions on nighttime operations of goods wagons that have not been converted.

Furthermore, at European level, we will take the initiative for an EU-wide prohibition on the use of loud goods wagons from 2020 on, as well as an EU program to promote the conversion of loud goods wagons. We will make the noise-dependent track pricing system more effective by widening the spread in track prices. We will introduce clear legal measures to ensure that the 5 dB(A) reduction in noise limits for new railway lines introduced during the previous legislative period will also apply to extensive track renovations of the existing network which necessitate new plan approval procedures.

The funding for noise abatement programs in the road and rail sectors will be increased. As far as air transport is concerned, we will focus predominantly on reducing aircraft noise at source, making the best possible use of surrounding areas as well as flight operations processes to reduce noise levels. Noise abatement will be improved, especially at night, when it comes to defining flight procedures and air traffic control approvals. We take justified concerns of residents living near airports just as seriously as we do the consideration for the economic future of the air transport location and related jobs. We will examine the limit values in the Aircraft Noise Protection Act during this legislative period.

As far as defining flight routes is concerned, we will take legal measures to ensure that residents will be notified and consulted at an early stage, and in a transparent manner. We provide for improved transparency and participation by municipal authorities and the general public in defining flight routes. The aircraft noise commissions play a key role in this, and we want to strengthen them.

Noise and pollution reduction targets should be set, in particular also by technical innovations in air transport. We expect airlines to intensify the modernisation of their fleets with low-emission aircraft. We will enshrine in the Air Traffic Act the stipulation that there must be clearer differentiation between aircraft types and a clearer spread between day and night tariffs when it comes to noise-dependent airport charges. We reject across-the-board restrictions on operations with a night-flight prohibition. We are in favour of tightening up noise registration limit values for new aircraft in the international arena (ICAO).

Coordinating rail, road and inland waterway

In order to meet the future needs of transport, the individual modes of transport must be able to use their particular system advantages to the best possible effect. For this purpose, we want to coordinate them more effectively and shift more traffic onto the rail and inland waterway networks.

Railway system

We want to further strengthen and expand railway transport. We want to have a high-performance railway infrastructure with modern railway stations allowing access by people with disabilities. Punctuality and reliability must be the calling cards of our railway system. We will align the business policy of DB AG even more effectively towards these goals, without thereby undermining economic efficiency. For this purpose, we will revise the controlling concept for DB AG in compliance with the Law on Stock Companies. Bonus payments to the Board of Management should be linked to achieving the defined goals. Control of DB AG in its Supervisory Board will be coordinated by the Secretary of State in the government ministry responsible for transport. We will orient the planning of railway lines based on the objective of nationwide coordination involving connections that are designed to facilitate nationwide travel, as well as high-performance goods traffic lines. We will promptly embark on planning for increasing the capacity of goods traffic by rail to a significant extent by removing specific bottlenecks.

We stand firmly behind DB AG as an integrated concern. The railway infrastructure forms part of public service provision and will remain in the hands of the Federal Government. We will ensure that all profits derived from the railway infrastructure companies owned by the Federal Government will be channelled back into the infra-



structure. We want to strengthen further the opportunities afforded to private railways in terms of competition, e.g. by continuing funding for the non-federally owned railway infrastructure that is of relevance to the network for transporting goods by rail. In addition to an increased level of investment, we will ensure that there is an objective planning provision which ensures the expansion and new construction of important rail transport connections. Through improving efficiency, we want to accelerate the planning and approval processes for railway infrastructure projects.

We will strive for rapid agreement with the federal states in the upcoming review of regionalisation funding in 2014. In order to safeguard the long-term financing for passenger transport by rail, we will place the regionalisation funding for the period from 2019 onwards on a new footing in the Federal Government/federal states' finance committee. We expect the federal states to verify that they are making efficient use of funds and creating incentives for good quality as well as growth in passenger numbers.

A railway regulation with a sense of proportion will enable us to safeguard transparency and provide non-discriminatory market access to the railway infrastructure. Furthermore, it must guarantee objective price regulation and sustained financing for the infrastructure. Steps taken to accelerate the registration process for rail vehicles and render it more efficient will be continued, and we will establish the necessary legal bases for this. Furthermore, we are urging a uniform procedure for train registration throughout the EU. Transport by rail is particularly environmentally friendly and energy-efficient. Consequently, companies involved in local and long-distance transport by rail will continue to benefit from the exemption regulation in the Renewable Energies Act levy.

Road – using innovations for greater efficiency

We want to make road transport perform better and more efficiently, thus increasing the traffic flow. On the basis of the "21st Century Road" concept, we will place emphasis on an intelligent transport infrastructure as well as increased use of transport telematics and the latest information and communication systems. We will take account of the expansion in traffic control systems in infrastructure planning.

In order to avoid traffic jams caused by roadwork, we will further reduce construction times through continua-

tion of a program of efficient site management that has been defined between the federal states with binding effect. In addition, we will work with the federal states to produce suggestions for reforming the roadwork management system and implement these. Increased use of incentive systems when tendering for infrastructure projects increases cost compliance and adherence to deadlines ("bonus/penalty system").

Federally funded waterways

Inland navigation offers significant capacity potential. To make the best possible use of this, we are reliant upon the capacity of federally funded waterways to deliver high performance, and we will set clearly defined investment priorities in this regard. On the basis of the new Federal Transport Infrastructure Plan and the transport infrastructure reports, we will work out a plan of measures to maintain federally funded waterways, examining the priorities at regular intervals according to their degree of urgency. The priorities will be set not only according to tonnage but also other criteria.

The process of reform in waterway and navigation management by the Federal Government that has already been initiated will be developed with the involvement of those working in the sector so we can be assured of access to the necessary regional competencies. We will present a water tourism concept.

The system of fees for using the (technical) facilities of federally funded waterways will be simplified in a competition-neutral way. We will adjust the fees for using the Kiel Canal. The guideline for promoting low-emission engines in inland navigation will be made more attractive in order to accelerate the process of fleet modernisation.

Conventional and alternative powertrains and fuels

We support technologically open development of new powertrains and fuels and/or energy sources, as a result of which we create incentives for innovative solutions to establish themselves on the market. We will continue to develop the mobility and fuel strategy. The production and use of biofuels must be in line with the principles of sustainability. For this purpose, we want to develop a biofuel strategy that is oriented towards realistic potential quantities. Furthermore, we will push ahead with research into new fuels and the introduction of liquefied natural gas (LNG) in shipping. We want to extend the



energy tax reduction for climate-friendly auto gas and natural gas due to terminate at the end of 2018.

Electric mobility

We want to achieve the goal of having one million electric cars of all variants on Germany's roads by the year 2020. We are pushing ahead with establishing the corresponding charging and refuelling infrastructure. The National Organisation of Hydrogen and Fuel Cell Technology (NOW) will concentrate its work from 2016 onwards on implementation and market launch of fuel cell technology in the stationary and mobile segments.

We will emphasise user-oriented incentives rather than purchase bonuses in our support for the market launch of electric mobility. We are creating the general conditions for rapid registration and market launch of electrically operated vehicles. The Federal Government will gradually change over its fleet of vehicles. We will combine responsibility for transport research in the ministry responsible for transport.

New mobility culture and networking

Our objective is to achieve a sustainable mobility culture and user-friendly networking of the various means of transport. To this end, we promote intermodal data platforms on an open-data basis providing information on mobility options, traffic jams, delays and timetable data. Networking of transport information and ticket systems can provide people with innovative digital mobility services.

Local public transport in urban and rural areas

We will push ahead with innovations to expand the environmental benefits of local public transport. We support the nationwide introduction of an electronic ticket and an improved nationwide passenger information system. With regard to rural areas, we want to improve the general conditions for alternative forms of operation such as dial-a-bus and citizens' bus schemes and to support the development of innovative approaches to mobility on the ground. In road traffic legislation, we are creating the opportunity for municipal authorities to allocate for car-sharing and electric cars parking spaces which cannot be legally contested.

Long-distance coaches

We are attentively following the development in the long-distance coach market, among other things with regard to its effects on rail transport, compliance with working and social standards and safety. With the help of the Federal Office for Goods Transport, we will guarantee that there is an adequate level of monitoring. Together with the federal states, we will advocate a uniform approval practice for long-distance coaches.

We support the implementation of the legal requirement for access for people with disabilities by means of a handbook we will draw up jointly with stakeholders.

Cycling

We want to increase the proportion of cycling further as an environmentally friendly, alternative form of mobility. Based on the objectives of the National Cycling Plan 2020, we will intensify the broad-based social dialogue about new methods and implementation strategies for promoting cycling. We will further expand the network of cycle paths along federally funded transportation routes and create the legal basis for building cycle paths along service roads of our federally funded waterways. To promote road safety for cycling, we want to prevent the formation of accident blackspots at federally funded highways through optimised infrastructure planning, and eliminate existing blackspots. We will further promote forward-looking projects at the interface between local public transport, carsharing and cycling. We want to enforce measures to ensure many more cyclists wear helmets.

Access for people with disabilities

We will push ahead with implementing the UN Convention on the Rights of Persons with Disabilities in the transport sector. Our objective is for everyone to be able to use the entire transportation chain and all modes of transport for mobility without barriers. In addition to the further expansion of passenger and fare information accessible to people with disabilities, we will present a railway station modernisation program with a binding timetable for the expansion and conversion of all major railway stations to afford access to people with disabilities. With regard to smaller railway stations and halts, we want to work together with those affected in order to develop suitable, cost-effective solutions.



Transport safety - mobility for all

We will improve transport safety in order to make further decisive reductions in the number of transport fatalities. We continue to support voluntary commitment as well as associations working in the area of transport safety, among other things with safety campaigns. As part of a working group comprising the Federal Government and federal states, we want to examine road traffic regulations in order to reduce the burden placed on the population and establish equilibrium between people and transport. We will further define the obligation to use winter tyres.

We want to improve the training of learner drivers and increase the quality of educational training for driving instructors. We want to optimise accompanied driving and develop a multi-phase model in learner driver training, also including driving safety training. The medical/psychological investigation will be revised. In view of the increasing number of older people using the roads, we advocate increasing the number of voluntary health checks.

Increased use of the latest telematics systems makes an important contribution to increasing transport safety. In this regard, we also ascribe particular importance to the successful launch of the European satellite navigation system, Galileo.

Air transport

We will strengthen Germany as a location for air transport, and we continue to advocate retention of its international competitiveness. We will focus on achieving a positive cost/benefit ratio when introducing fiscal or regulatory policy measures in air transport. The consequences for mobility in Germany and its effectiveness as practical noise and environmental protection must be appropriately balanced with one another. To accomplish this, we place emphasis on transparency and early-phase dialogue with all those affected.

In addition to the new Federal Transport Infrastructure Plan 2015, we are striving for the Federal Government to play a stronger role in planning a nationwide network of airports. For this purpose, we will enter into dialogue with the federal states and the members of the affected communities to work out an air transport concept. The Federal Government commits to construction of the Berlin-Brandenburg Airport, BER.

We want to see rapid and competition-neutral implementation of the European emissions trading scheme in air transport, and we support its transition into an international emissions trading system on the basis of the ICAO. At European level, we advocate implementation of the Single European Sky. Specifications for the performance required from European air traffic control organisations must be demanding, but also realistic. In terms of further liberalisation in ground handling services at airports, a balance must be struck between the competitiveness of German airports and the interests of the workers.

Goods traffic and logistics

We will further strengthen the network of goods traffic and logistics, and continue the marketing campaign "Logistics made in Germany". We will develop the action plan for "Goods traffic and Logistics", with one of its strategies being the clean, energy-efficient transportation of goods. We support the industry in upgrading goods traffic and logistics jobs, and reject wage dumping while advocating better working conditions in the transportation and logistics industry. Existing regulations on market access in cross-border goods traffic by road and in domestic transport will be examined and we will only agree to a further relaxation in cabotage regulations if the drop in working and social conditions does not lead to market distortions. Trucks must be strictly checked to ensure they are in a roadworthy condition, and compliance with driving and rest periods must also be strictly monitored. We will expand parking guidance systems for trucks on motorways and establish an additional 6000 truck parking spaces during this legislative period, while pushing ahead with the use of telematics systems and involving private investors. We will create a separate toll category with the lowest charge for environmentally friendly Euro VI vehicles. By safeguarding a high funding level for systems for combined transport, we are strengthening the intermodal transport system.

High-capacity shipping, ports and the maritime economy

It is our intention to be a powerful maritime location. Our objective is to achieve high-capacity shipping that makes use of its advantages within the transport chain, in accordance with requirements for climate and environmental protection. We want to take effective measures to limit pollution emissions from shipping in the North and Baltic Seas, without displacing transport from ecologically advantageous waterways onto land-based routes. Smooth operations of the Kiel Canal play a



central role in this. We will support shipping in meeting the new requirements of the sulphur emission control areas in the North and Baltic Seas (SECA). We will implement the "Marine Development Plan" and develop it further.

We will continue to develop the Maritime Alliance for Employment and Training. We will continue to provide funding for training and employment protection in the shipping industry as required. Together with the maritime industry and social partners, we are developing specific measures for safeguarding the entry of young people into the profession. We will work out long-term regulations to uphold traditional shipping.

We want to thoroughly modernise and simplify flag state administration. We will modernise shipping law. We renounce unilateral national or European special regulations. The tonnage tax will be retained. In this regard we expect the shipowners to comply with the prerequisites that are binding under EU law. We want to adhere to the policy that ship revenue pools will be exempt from mandatory insurance tax until the end of 2015, and we will examine pragmatic solutions for the future.

In order to strengthen the competitiveness of Germany ports, we are developing the National Port Concept further with regard to the Federal Transport Infrastructure Plan 2015, and we will eliminate bottlenecks in the land-side and seagoing connections of German seaports and internal waterway harbours with international importance.

We will open up the special program "Offshore Wind Energy" by the KfW banking group to the area of port and ship capacities. Furthermore, we will examine a special loan program by the KfW banking group for financing special ships and offshore structures in order to accompany the expansion of offshore wind energy.

Digital infrastructure

Expansion of broadband

Provision of comprehensive broadband coverage is a key task for a modern industrialised nation. Thus, we will develop the broadband strategy further. It is important to overcome the digital divide between conurbations and rural areas. For this purpose, we want to support municipal authorities in expanding broadband to rural areas in

the sense of public service provision with communication.

We will remove investment obstacles and overcome profitability gaps in regions with relatively weak infrastructure, achieving this by making greater use of synergy effects and additional investment incentives for telecommunications companies. We will ensure the use of open technologies in the expansion of high-speed Internet. This also includes appropriate provision of radio frequencies for wireless communications networks in all parts of Germany. The frequencies freed up in future by the use of DVB-T2 will predominantly be used for providing broadband in rural areas, subject to the agreement of the federal states.

Expanding high-capacity broadband networks requires above all general provisions in EU telecommunications law and in our Telecommunications Act which are friendly towards competition and investment, as well as greater cooperation between companies, better funding possibilities and good coordination between the Federal Government, federal states and municipal authorities.

We want regions that do not have a data speed of at least 2 Mbit/s to be brought up to this level as quickly as possible. By 2018, everywhere in Germany there should be a basic provision of at least 50 Mbit/s. To create greater security for investment by network operators in rural areas, we will examine the general legal conditions for longer-term contracts between network operators and network users for expansion and financing of the broadband infrastructure, and if necessary permit contract terms of 3 to 4 years in rural areas.

Fast and secure data networks are the basis for innovation, growth and employment in a modern industry and service society. We need a strong German and European telecommunications and IT industry in order to tackle global economic and security policy challenges. We will take action to ensure that regulation of telecommunications markets, both at European and national levels, is structured to make investments in rural areas worthwhile. In the state aid field, we will apply to the EU Commission for an NGA framework regulation for Germany which includes vectoring technology and makes it possible to push ahead with broadband expansion in rural areas by means of an unbureaucratic, technology-neutral and competition-friendly funding process.

Broadband expansion must continue to benefit from funding in the EU as well. Furthermore, a simplification



of funding must be introduced into EU law, as in the case with public service provision. A new special financing program by the KfW banking group entitled "Premi-umförderung Netzausbau" to provide bonus funding for network expansion should supplement existing programs. Furthermore, we want to establish a broadband citizens' fund. Private individuals should be able to invest in this fund and expect solid returns.

WLAN

The potential of local radio networks (WLAN) to provide Internet access in public areas must be utilised to the fullest extent. We want mobile Internet via WLAN to be available to everyone in German cities. We will create the legal bases for using these open networks and their providers. Legal security for WLAN operators is of the utmost importance, for example by clarifying the liability regulations (similarly to access providers). At the same time, we will clarify to consumers the dangers of using such networks when sensitive data is involved.

In addition to clarifying legal questions, we would like to push ahead with establishing heterogeneous, freely networked and local communities and their infrastructures. By promoting these as well as providing ad-hoc networks as part of the R&D strategy, local and decentralised networks should be supported comprising a complementary infrastructure for a particular defined group of users. In this way, we will improve the general infrastructure conditions for access to high-speed Internet for all.

We want to see legal clarification of the network access offered by telecommunications providers. Users must retain their free choice of routers. Consequently, we reject any compulsion in the choice of router. The access data required for logging routers (telecommunications terminal devices) onto the network must be provided to customers automatically.

Network neutrality

Retaining an open and free Internet, safeguarding participation, diversity of opinions, innovation and fair competition are central objectives of the digital agenda. Transport of all data packages on the Internet without discrimination forms the basis of this. At the same time, it is important to ensure that providers do not give precedence to their own content and the content of their partners over that of the competition by means of higher data volumes or faster transmission speeds. Neutrality

must also be demanded from search engines, which must ensure that all content can be found without discrimination.

The guarantee of network neutrality is thus anchored with binding effect in the Telecommunications Act as one of the regulatory objectives, and the coalition will advocate for network neutrality to be enshrined in law at European level. The Federal Network Agency will be authorised and provided with both the technical and personnel means to monitor compliance with this objective. In addition, mobile phone operators will have to permit VoIP telephony, possibly for a separate charge.

The best-effort Internet which stands for equal treatment of data packages will have its quality developed further and must not be displaced by a large number of managed services. However, network management must be possible where it is technically appropriate so bandwidth-sensitive data and applications can be transferred or used reliably and without delays. Deep Packet Inspection (DPI) for discriminating services for monitoring network users is something we will, however, prohibit by law.

1.4. Leading the transition in energy policy to success

Successfully shaping the transition in energy policy and climate protection

The transition in energy policy is a correct and necessary step on the path to an industrial society beholden to the concepts of sustainability and conservation of the environment. It protects the environment and the climate, makes us more independent from imports, and secures jobs and wealth creation in Germany. One of the main tasks of the grand coalition is thus to develop committed climate protection as a driver for progress, at the same time as strengthening prosperity and competitiveness. We intend to continue the development towards energy supply without nuclear power, and with a continuously growing proportion of renewable energies, in a consistent and planned fashion. We affirm our intention to maintain international and national targets for climate protection, to advocate ambitious targets in the European Union for 2030 on the basis of the long-term global goals for 2050, and we will also play an active part in promoting ambitious climate protection targets and binding agreements internationally. Achievement of am-



bitious European climate protection targets must not be to the detriment of industries which make intensive use of energy and are faced by international competition, and our policies must be designed to avoid carbon leakage.

Energy policy triangle

The goals of the energy policy triangle - climate and environmental compatibility, security of supply, affordability - are of equal importance to us. The transition in energy policy will only be accepted by citizens and the business community if security of supply and affordability are guaranteed, and at the same time the industrial value-added chain and jobs are maintained.

In the further expansion of renewable energies, greater importance must be ascribed to cost-effectiveness and efficiency of the overall system including network or grid expansion, and the necessary reserve capacities. As a result, the European electricity market must also be examined more closely. In this regard, the economic operation of necessary capacities from conventional and flexibly utilisable power stations must remain possible at affordable prices in order to maintain the security of supply in Germany.

Reform of the Renewable Energies Act

The coalition is striving for a rapid and thorough reform of the Renewable Energies Act (REA) and will present this by Easter 2014 with the objective of passing it in summer 2014, in order to create reliable general conditions in energy policy. Old installations benefit from 'protection of continuance' (Bestandsschutz, regulation providing that the original form of approval remains valid in spite of stricter requirements of new laws). Legitimate expectations must be given due consideration with regard to investments made and those in progress.

Climate protection

We will hold to the principle that climate protection must be of central importance in energy policy. Nationally, we intend to reduce greenhouse gas emissions by 2020 by at least 40 percent compared to the 1990 level. Within the European Union, we advocate a reduction by at least 40 percent by 2030 as one of the triple goals of greenhouse gas reduction, expansion of renewable energies and energy efficiency. In Germany, we intend to codify the further reduction steps in light of European targets and the results of the Paris Climate Protection Confer-

ence 2015 up to the target value of 80 to 95 percent in 2050, and to back this up with measures (climate protection plan) as part of a broad dialogue process.

The coalition wants to see effective emissions trading at European level. At the same time, reducing greenhouse gas emissions must remain a central target of emissions trading. Corrections should only be made if the targets for reducing greenhouse gases are not achieved. With regard to the EU Commission's planned withdrawal of 900 million certificates from trading (backloading), it is necessary to ensure that this is a one-off intervention in the system, that the certificates are not permanently withdrawn from the market and that disadvantageous effects on the competitiveness of the affected sectors and industrial jobs will be excluded.

We continue to advocate an ambitious, worldwide climate protection agreement. Climate protection and the expansion of renewable energies will be promoted worldwide through cooperation and programs with other countries, especially newly industrialised and developing countries.

Renewable energies

Renewable energies will be developed further within a legally defined expansion corridor: 40 to 45 percent in the year 2025, 55 to 60 percent in the year 2035. Every year, the progress of expansion will be examined with regard to target achievement, network expansion and affordability (monitoring).

On the basis of these corridors, the coalition will reach an agreement with the federal states regarding synchronised planning for the expansion of individual renewable energies.

We will expand renewable energies in such a way that the expansion targets are achieved, taking account of broad-based participation by citizens, and that costs are limited. Also, we will initiate dialogue with the European Commission and the member states without delay regarding how these funding conditions for achieving the targets can be developed further in accordance with European law. Additional revenues from emissions trading should be utilised in the area of renewable energies.



Efficiency as the second pillar of a sustainable transition in energy policy

Greater emphasis must be placed on reducing energy consumption through greater energy efficiency as a central component of the transition in energy policy. Progress in energy efficiency requires a cross-sector approach taking account of buildings, industry, commerce and households, as well as looking at electricity, heating and cooling in equal measure. Working from a technical/economic analysis of potential, we intend to develop markets for energy efficiency and involve all stakeholders in this.

National plan of action for energy efficiency

In a national plan of action for energy efficiency, the coalition intends to bring together targets for various areas, instruments, financing and the responsibility of individual stakeholders. An independent commission of experts will examine this by means of annual monitoring. The first plan of action should be worked out in 2014 and passed by the Federal Government. The funds to be provided for this will come from a relocation of budgets.

Using the Energy and Climate Fund, we will provide funding for the implementation of ambitious efficiency measures in industry, by manual trades and small and medium-sized enterprises, municipal authorities and households. In the building and transport sectors, additional finance will be provided in the form of separate instruments from the departments responsible.

We intend to implement the following measures as a first step:

- The KfW program for energy-focussed building refurbishment will be updated, consolidated and significantly simplified.
- The programs should be designed so misjudged investments will be prevented through consulting.
- We will implement the EU Energy Efficiency Directive objectively.
- In order to fund sensible and cost-efficient measures, we will place one point of emphasis on technically proficient and independent energy consulting and provide this with appropriate funding; in particular, specific information will be provided about the efficiency of heat-

ing systems and possible efficiency improvement measures.

- We will expand free energy consulting for households with low incomes. Investments in energy-saving domestic appliances will be made easier.
- At European level, we will emphatically advocate dynamic and more challenging standards for energy-relevant products as part of the Ecological Design Directive (enshrining the top-runner principle). As far as possible, we intend to set national standards first.
- We will make the labelling of products (e.g. domestic appliances) according to their energy efficiency more meaningful for customers.

Climate-friendly heating market

The heating market is jointly responsible for a successful transition in energy policy. Reshaping it is a long-term process. It remains the coalition's goal to achieve an almost climate-neutral building stock by the year 2050. To accomplish this, the energy consumption of buildings must be reduced adequately and, at the same time, progress made with expanding renewable energies for providing heat.

On the basis of a refurbishment schedule, we will take the following measures as first steps in the building area and heating market:

- The Renewable Energies Heat Act will be developed further on the basis of the progress report and implementation of European law, and will be harmonised with the provisions of the Energy Saving Ordinance (EnEV).
- The use of renewable energies in the building stock should continue to be based on a voluntary approach.
- We will further improve the information provided to buyers and tenants about the energy quality of a building, and make the information more transparent.
- We will consolidate the proven market incentive program.
- In an electricity market in which the proportion of electricity derived from renewable energies continues to grow, we will utilise electricity generating capacity that



would otherwise have to be taken off line for additional applications such as in the heating sector.

Expansion of renewable energies

Renewable energy expansion corridor

We continue to advocate a sustainable, continuous and affordable expansion in renewable energies. For this purpose, we will enshrine an expansion corridor legally defined in the Renewable Energies Act, and control the expansion. In this way, we will ensure that the expansion targets are achieved and the costs remain within budget. This expansion corridor:

- creates the security needed for planning for all stakeholders,
- provides the renewable energies sector with a viable path for growth,
- limits the cost dynamics in the expansion of renewable energies,
- establishes a stable framework for developing the conventional energy industry,
- permits a better link-up with grid expansion,
- enables gradual adaptation of the electricity and energy supply system to the challenges of volatile energy generation, thus achieving more cost-effective system integration.

Costs of the transition in energy policy

The transition in energy policy comes at a price. Overall costs have risen quickly and steeply over the past few years. Private and commercial electricity customers are being made to shoulder significant burdens. The Renewable Energies Act levy has now reached such a level that it will become a problem for private households and broad swathes of the economy, especially small and medium-sized enterprises, unless it is possible to dampen the cost increases. By means of the fundamental reform we have agreed on, we intend to impose a palpable brake on the extent and speed of the rise in costs by simplifying the remuneration systems and stabilising costs at a reasonable level. To achieve this, we need not only a predictable expansion corridor defined by law, but

also and in particular greater cost-effectiveness by reducing over-funding and tapering feed-in remunerations, bringing funding more in line with market economy principles, concentrating the special equalisation scheme on companies which make intensive use of electricity and operate amidst international competitions, and achieving a balanced arrangement for independent generation of electricity.

Reform of the funding system

The coalition intends to make funding for renewables more cost-effective with the objective of making electricity prices affordable. We will quickly and consistently dismantle over-funding in new installations; old installations benefit from 'protection of continuance'. We will enshrine a continuous tapering in funding rates for all technologies in the Renewable Energies Act. We will examine the bonus arrangements and cancel them to a large extent. Furthermore, we will cancel the comparatively expensive green electricity privilege. This means we will ensure that the system remains in accordance with European law in the future as well.

The following applies with regard to individual technologies:

- **Photovoltaics:** The currently applicable regulation (including flexible cap, upper limit) has proven effective and will be retained. The amount of capacity added this year is close to the expansion corridor defined in the Renewable Energies Act.
- **Biomass:** The amount of biomass capacity added is predominantly restricted to waste and residual materials. This serves to protect the natural environment, avoids maize being planted over excessive swathes of countryside and alleviates competition for use. Existing systems should be operated according to demand wherever possible since this represents a benefit in terms of system stability. We are developing an overall concept for the planting, processing and use of biomass with regard to bioeconomic considerations. At the same time, their use should make a rational contribution towards the CO₂ reduction target while competition for use should be alleviated through conservation of species and the natural environment.
- **Onshore wind power:** We will reduce the rates of subsidy (especially at very windy sites) in order to dismantle over-funding and, at the same time, develop the reference yield model further to ensure that good



sites nationwide with a reference yield of 75 to 80 percent can continue to be used economically in the future as well. We will insert an opening clause relating to the federal states into the Town and Country Planning Code (BauGB) to make it possible for rules to be defined for specific federal states regarding minimum distances from residential buildings.

- Offshore wind power: We define the expansion path up to 2020 as 6.5 GW on the basis of realistic expansion possibilities. Measures required promptly will be taken to avoid endangering upcoming investments with long lead times in offshore wind power. As a safeguard, the acceleration model will be extended until 31 December 2019. A cabinet decision is planned on this matter shortly. As far as the further expansion path until 2030 is concerned, we are expecting an average of two wind farms per year with a power of about 400 MW each, in order to achieve an expansion of 15 GW by 2030.
- Hydroelectric power: The existing legal provisions have proven effective and will be continued.

Furthermore, from 2018 on, the funding level should be calculated by tendering, assuming by then it is possible to demonstrate in a pilot project that the objectives of the transition in energy policy can be achieved more cost-effectively by this method. As a means of gathering experience with tendering models and developing an optimum design for the tendering procedure, a pilot tendering model in the region of 400 MW in total will be introduced by 2016 at the latest for open-field photovoltaic installations larger than a minimum size that is yet to be defined. We will ensure that widespread public consultation remains possible when implementing tendering procedures.

Market and system integration

Our principle is as follows: The Renewable Energies Act is an instrument for the market launch of renewable energies. They should offer the prospect of standing on their own feet in the market, without requiring funding. As a result, the coalition intends to integrate renewable energies in the electricity market. Tapering in the Renewable Energies Act increases the incentive for direct marketing. With regard to new renewable energy installations with a capacity of 5 MW or more, mandatory direct marketing will be introduced on the basis of the variable market premium. This should apply to all scopes of installation by 2017 at the latest. We will design the in-

troduction so the existing variety of stakeholders is retained in the Renewable Energies Act.

In order to guarantee the stability of the system, we will also stipulate that new installations must be accessible by the network operator and the direct marketers. With new installations, the peak load may be taken off line to a limited extent (less than 5 percent of the annual working capacity) free of charge provided this reduces the costs of network expansion and contributes to avoiding negative electricity trading prices. Furthermore, we will change the compensation arrangements in feed-in management in such a way as to provide increased incentives for improved consideration of the network situation when sites are being selected for new installations (hardship provision). In the existing hardship provision, the level of compensation will be reduced if feed-in is not possible as a result of a network bottleneck. The priority given to renewable energies for feed-in will be maintained.

We will examine whether larger generators of electricity from renewable energies will have to guarantee a base load proportion in their maximum feed-in, as a means of contributing to the security of supply. They will be able to safeguard this contractually under their own responsibility with the operators of storage facilities, renewable energies that can be regulated according to demand, loads that can be switched off or power stations powered by fossil fuels. The virtual "base load capability" of the individual renewable energies should be created step-by-step. We will carry out a pilot project for this purpose.

We advocate integrating the funding of renewable energies in Germany within the European internal market. For this purpose, we will develop the Renewable Energies Act further in accordance with European law and we will advocate that the general conditions in the EU and the state aid regulations continue to support the expansion of renewable energies in Germany. Irrespective of this, we continue to assume the Renewable Energies Act does not represent state aid.

International competitiveness of industry and fair burden sharing

The special equalisation scheme is intended to avoid undermining companies that make intensive use of electricity in terms of their international competitiveness, while maintaining closed value-added chains and securing industrial jobs in the long term. The coalition consequently intends to retain the special equalisation scheme



and to develop it in a way that is fit for the future; however, the coalition is aware this will impact the financing principle for the Renewable Energies Act. The numbers of companies submitting applications, and the amount of privileged electricity, have increased further since the most recent amendment. Also, the amounts of electricity privileged as having been independently generated have been increasing continuously for years now.

In view of this situation, we advocate that the international competitiveness of German industry be maintained, that the special equalisation scheme be safeguarded in European law for this purpose and that the financing of the Renewable Energies Act be put on long-term stable footing. Inner-European competition must also be considered in this case, for as long as there is no complete harmonisation in the funding for renewable energies. The proposals for controlling the expansion and for cost-effectiveness are also of central importance with regard to safeguarding the international competitiveness of German industry.

As regards the special equalisation scheme, we will examine the privilege treatment in the individual sectors primarily on the basis of objective criteria in accordance with European law. Furthermore, we will examine the cost contribution made by privileged companies. At the same time, it is intended that favoured companies not solely introduce an energy management system but also achieve economically sound and technically feasible progress in energy efficiency. Early actions already crowned with success will be taken into account in this context. These measures are also in accordance with the concerns of the European Commission.

Furthermore we advocate that all independent electricity generation in principle come under the Renewable Energies Act levy. Thus, all new independent electricity generators with a minimum levy should contribute to the basic funding of the Renewable Energies Act; however, we will preserve efficiency, particularly that of CHP systems and the use of blast furnace gas. A de-minimis limit should be introduced for small installations. Legitimate expectations for existing independent generation will be assured.

Electricity market design – new role for conventional power stations

The security of supply must be guaranteed, which means there must be an assured generating capacity available in Germany to match the demanded load at all times.

Conventional power stations (lignite, anthracite, gas) will remain an essential part of the country's energy mix for the foreseeable future. The continuous growth in renewable energies means we will need highly efficient and flexible conventional power stations in the future. Unless other possibilities (such as storage or demand management) are available cost-effectively and in sufficient quantity, electricity generation from wind and solar energy cannot make a decisive contribution to the security of supply. As a result, sufficient coverage will have to be provided for the residual load. A development path for the installed base of conventional power stations cannot be planned without a clear commitment to expanding renewable energies.

We need various mechanisms by means of which the capacities required in the various categories can be maintained in the market over the long term.

The following guiding principles must be established for an ecologically reasonable and economically viable procedure which will also safeguard jobs:

- To achieve a better match between electricity generation from renewable energies and the demand for electricity, options for increasing flexibility must be expanded on both the supply and demand sides (especially in power stations and renewable energies, by load management, intelligent meters, variable load tariffs and storage systems).
- We intend to develop the network reserve further over the next few years (tendering models at the level of the transmission grid operators). Where available, existing fossil-fuelled power stations can form the network reserve in order to keep a limit on the costs of safeguarding supply during the few hours of the year when loads are at their peak.
- To avoid short-term risks to the security of supply, we will furthermore ensure that the Federal Network Agency will promptly examine, and if necessary implement, the establishment of new power station capacities required on a regional basis; the Agency will do this as part of the upcoming investigations on the basis of the Back-up Power Plant Regulation.
- At present, we have sufficient power stations nationwide. However, this situation could change by the end of the decade. A capacity mechanism must be developed in the medium term under the aspect of cost-effectiveness in accordance with European regulations,



while guaranteeing a competitive solution that is open with regard to technology.

- We intend to shape the legal and financial conditions for environmentally friendly combined heat and power so the proportion of CHP will be expanded to 25 per cent by 2020. On the basis of a potential analysis to be conducted without delay, we will also examine and adapt the general conditions for CHP such as, in particular, the Combined Heat and Power Act (KWKG). We will implement the EU Energy Efficiency Directive in German law in such a way that the possibilities it provides for recognition of the advantages of CHP and district heating in primary energy and CO₂ reduction compared to other heating systems will come further to the fore.

Storage facilities

The significant fluctuations in feed-in from renewable energies makes it necessary to strike a balance by means of various flexibility options such as load management, power-to-heat and storage facilities. In order for the necessary conventional reserve capacity to be estimated reliably, the coalition will examine technically and economically available storage potential over the coming years.

In future, it will be necessary to have a mix of different electricity storage facilities. The general conditions required for these must be designed in a technology-neutral manner. We want to allow pumped storage stations to make their contribution to network stability in the future as well.

The last-user obligations of the storage facilities should be examined as a result of future system functions.

Demand for new storage facilities will increase in the medium to long term. Given a high proportion of renewable energies, we will also require long-term storage facilities which can compensate for seasonal fluctuations, e.g. power-to-gas. In current and further demonstration projects, we will develop and optimise the technology further step by step, until it can be made ready for market launch. The research program that has already been launched will be continued.

Networks

Reliable and long-term network expansion planning

Network expansion and expansion of renewables are predicated on one another. To ensure that both run synchronously, the network should be expanded in future on the basis of the expansion path provided by law for renewable energies. In future too, the Federal Grid Development Plan will represent the central instrument for expanding the transmission network. With regard to the necessary expansion of the network, it is important to expand offshore wind energy gradually, in an orderly process (offshore network development plan). It should be possible for resulting link-up capacities to be used effectively.

The potential for optimisation in existing networks should be fully utilised. As a result, the ability of the network to absorb renewable energies will be increased, efficiency will be improved and costs lowered. The significant urgency attached to network expansion in order for the transition in energy policy to succeed demands widespread acceptance from the general population, which is something that is still lacking today in many instances.

Direct current technologies (multi-point capability) that have recently come on stream should be trialled in selected pilot lines. Such technologies include DC circuit breakers or control techniques and cable laying technologies; if necessary, they should also be funded using resources earmarked for promoting the technology. A central distribution point in the three-phase network represents a sensible starting point for this.

We want to push ahead with integrating European electricity supply by expanding cross-border high-voltage lines and cross-border interconnectors on the basis of the EU Trans-European Energy Infrastructure Regulation (TEN-E).

Modernisation of distribution networks

Distribution networks represent the backbone of the transition in energy policy on the ground, because the amount of renewable energy capacity added is leading to increasing decentralisation in the energy supply system. The coalition will make the general conditions for distribution networks more conducive to investments so investments can be refinanced promptly. We will examine investment budgets in the distribution networks. Security of supply continues to take priority.



Investments should be able to be made by network operators when required. In 2014, the evaluation report by the Federal Network Agency for regulating incentives and the network platform study "Modern Distribution Networks for Germany" will provide us with an adequate database to take decisions on the necessary further developments in regulating incentives.

Creating general conditions for intelligent networks

As early as 2014, we intend to be establishing viable basic conditions for the sound use of intelligent metering systems for consumers, generators and small storage facilities. The package will involve defining exacting technical standards for guaranteeing data protection and data security, data protection rules for specific areas in market communication as well as regulations relating to the installation of intelligent meters in order to permit intelligent load and generation management.

Network charges

We will examine the system of network charges to see whether it meets the needs of the transition in energy policy. The coalition will examine the system of network charges so as to judge whether it offers fair burden sharing when it comes to financing of the network infrastructure. The growing amount of independent energy generation in the private and commercial sectors is increasingly calling into question the fairness with which costs are distributed. As a result, the costs for providing the network infrastructure must be cast in greater relief in future, such as by introducing a general performance component in the network charge (base price or service price) and by feed-in providers contributing to the costs of the network infrastructure and operation of the network.

Involving citizens in the network expansion

It is necessary to promote acceptance for expansion of the electricity networks among those who live in the immediately affected area. Such acceptance can be encouraged not only by intensive consultation on the projects at an early stage but also by a financially attractive package enabling the citizens affected to participate in the value creation process as well as an examination of the current compensation practice.

We will regulate clearly and in a legally certain manner the evaluation process when placing new orders for dis-

tribution networks (e.g. in re-municipalisation), as well as improving legal certainty in network assigning.

Phasing out nuclear energy

We will stand by the policy phase out nuclear energy. The last nuclear power station in Germany will be closed by 2022 at the latest. Germany will also continue to promote the transition in energy policy at European level as well.

Safety of nuclear power stations

The safety of nuclear power stations in Germany will be assured up to the last day of operation. As a result, further investments are required in the facilities, in skilled personnel at the operating companies and public authorities, and in expert staff. Protection for power stations and waste storage facilities against sabotage and acts of terrorism must be assured on a legally certain basis. The Federal Government and federal states will work together as closely as possible in nuclear supervision.

In Europe, Germany will play an active part in increasing the safety of nuclear power stations. For this purpose, we will actively pursue binding safety targets in the EU and a system of mutual control where national responsibility for safety continues.

Discussions will be held between the Federal Government and the federal states regarding the dismantling, disposal and secure storage of materials from nuclear installations that do not serve or have not served to generate electricity; in this case, the division of costs will also be readdressed on the basis of corresponding administrative agreements.

We expect the nuclear power station operators to participate in the transition in energy policy and to discharge their responsibility for an orderly termination of nuclear energy usage. The goal is thus to guarantee safety to Germany in the remaining operation and decommissioning of nuclear power stations with regard to finance as well, and to find socially acceptable solutions for the workforce. We expect the costs of nuclear waste and dismantling the nuclear installations to be borne by those who created them. The Federal Government will hold discussions with the energy suppliers regarding the discharge of their legal obligations.

At European level, we advocate complete transparency in all issues relating to safety. The independence of nu-



clear supervision is guaranteed in Germany and there is no need for any of the existing regulations to be amended.

Germany intends to influence the international safety debate. As a result, even following the phase out of nuclear energy, there will still be a need for suitable institutionally funded research institutions, independent expert institutions and adequate technical expertise in public administration in order to assess the safety of nuclear power stations and the dismantling of them, radiological protection and disposal of nuclear waste.

Final repository

We intend to resolve the question of the final repository out of responsibility for future generations. For this reason, measures will be advanced to establish the Konrad final repository and close the Morsleben final repository, as well as to create conditions for recovering the waste from the Asse II mine.

Significant efforts are being undertaken to recover the nuclear waste from the former salt mine at Asse II. We will further specify the recovery planning and continue to provide the funding necessary for this work.

We will rapidly implement the disposal directive (EUR-ATOM) and the Repository Site Selection Act in full, thereby achieving the separation principle. The process of selecting a final repository for highly radioactive waste will be instigated upon completion of the commission's deliberations, and will feature broad public consultation. In the course of working together to search for a final repository, the Federal Government and the federal state of Lower Saxony will agree on a unanimous procedure with regard to the Gorleben site.

Radiation Protection Act

The Radiation Protection Act should be modernised. The concept for protection against radiological emergencies in order to deal with catastrophes in nuclear facilities will be adapted on the basis of experience from Fukushima.

Fracking

According to available environmental impact investigations, the use of fracking technology for non-conventional natural gas extraction – in particular for shale gas extraction – involves a significant potential risk. The effects on people, flora, fauna and the envi-

ronment have not been adequately clarified in terms of science. For us, provision of drinking water and protecting citizens' health are absolute priorities.

We reject the use of substances that are toxic to the environment during the application of fracking technology in order to locate and extract non-conventional natural gas deposits. It will only be possible to reach a decision on approval applications once the basic data is available on which to conduct an assessment and cast-iron clarification has been obtained that there is no reason to fear any detrimental change in water composition (duty-of-care principle in the Water Resources Act).

Also, the question of flowback disposal from fracking processes using environmentally toxic chemicals in boreholes cannot be answered due to lack of knowledge about the associated risks.

With the involvement of the federal states and the scientific community, the coalition will conduct a joint process with the companies to work out what specific insights the research needs to produce in order to eliminate gaps in knowledge and establish a sufficient basis for possible next steps. This should take place in a transparent process. In dialogue with everyone concerned, the research results should be evaluated under the auspices of the scientific community. The coalition will shortly present amendments to the Water Resources Act aimed at better protection for drinking water as well as a regulation relating to the environmental compatibility test (ECT) for mining projects; this will provide for an obligatory ECT and public consultation before the approval of measures for locating and extracting natural gas from non-conventional deposits by means of fracking.

Implementing the transition in energy policy effectively – dialogue and participation

To provide a source of advice for the Federal Government and parliament in implementing the transition in energy policy, the Federal Government will endeavour to establish a "Forum for the Transition in Energy Policy (Energy Council)" for continuous dialogue with industry, unions, the scientific community and socially relevant groups. Care will be taken to provide for extensive public consultation during the completion of the transition in energy policy. The coalition will engage in close dialogue with all stakeholders in the energy industry. The issue of the German public utilities' freedom of action will be raised because of the importance of this matter with regard to public service provision.



We intend to make the transition in energy policy compatible with the natural environment while creating the necessary processes and suitable structures for it. Consequently, a center of competence for "Nature Conservation and the Transition in Energy Policy" will be set up in order to deliver objective facts for debate and to avoid conflicts on the ground.

1.5. Rules for the financial markets

The financial markets undertake an important function in our national economy. Our financial market policy places priority on the function of the financial sector in providing real economic services over that of speculative transactions. By placing clear restrictions on speculation, creating transparency, promoting sustainable growth strategies and strengthening the ability of the financial market players to withstand crises, we will improve the functional capability and stability of the financial markets. The relationship between risk and liability must be brought back onto an even keel. Taxpayers should no longer be made to pay for the risks taken by the financial sector. For us, consequently, the following principle applies: in future, there must not be any financial market player, financial product or market without appropriate regulation. This will also contribute to the long-term competitiveness of the financial markets. We hold fast to the proven three-pillar system of German banks, and we will take appropriate account of its special features.

The stricter equity capital and liquidity standards for banks agreed upon as part of the European implementation of the Third Basel Accord must be implemented consistently within the allotted time windows. This also includes a binding upper limit on the leverage ratio which takes appropriate account of the risk content of business models, as well as a binding, medium term liquidity coefficient. When it comes to fulfilling the additional capital requirements, public owners must be placed on an equal footing with other owners regarding the law on state aid provision. Corresponding measures to fulfil the equity capital requirements demanded by supervisory authorities from publicly owned banks are not allowed to be classified as state aid.

In view of the €30 bn limit, European banking supervision also applies to banks that are only active in limited regional or highly specialised sectors. For example, this applies to the development banks, savings banks and smaller private banks. The Federal Government will instruct the Federal Financial Supervisory Authority (BaFin) to ensure within the scope of its responsibility for Eu-

ropean banking supervision that in practice the special features of individual banks are taken into account, such as development banks.

In view of the possible need to amend the Fourth Capital Requirements Directive (CRD IV) during the coming years, the Federal Government will advocate that the development banks of the Federal Government and the federal states be treated equally as far as possible in future within the European context of banking supervision law.

The Federal Government will advocate implementation of the proposals by the European group of experts under Erkki Liikanen on restricting risk transactions, introduction of upper lending limits for mortgages and stricter separation between investment and commercial banking on European level. Financing of the real economy by the tried-and-tested universal banking system must not be endangered by the reform project.

Shadow banks must be regulated so the same regulations apply to them as in the classic banking sector when the same transactions are involved, with the same risk for the stability of the financial system. All commercial relations between banks and shadow banks must be rendered transparent, and risks of contagion must be limited.

The Federal Government supports the stricter regulations on high-frequency trading provided for at European level. Also, the Federal Government advocates putting the brakes on raw materials and foodstuffs speculation, which is why it is in particular in favour of introducing limits on position taken in the raw materials markets.

European regulations on regulating derivatives trading should be supplemented in a targeted fashion so as to strengthen the transparency of trading on regulated exchanges and trading floors, and to counteract the creation of systemic risks.

Rating agencies occupy a central position of power on financial markets, which is why they require strict regulation. The Federal Government will advocate effective application of liability regulations under civil law for rating agencies, as well as promote the competitiveness of European rating agencies. We intend to reduce legal norms that prescribe the involvement of the three major rating agencies. We also intend to reduce the importance of external ratings.



Criminal law and the law relating to regulatory offences in their present form have not yet had adequate effect in the financial market sector. In future, the following principle must apply more emphatically: Trading by companies and managers that is injurious to the common good must be appropriately sanctioned. We support the adoption of stricter regulations in the relevant European legal tracts which, in particular, raise the limits for monetary sanctions to an appropriate level and also provide for swinging sanctions to be imposed on companies which infringe the regulations; furthermore, we will take measures to implement these measures in German law.

We will intensify the fight against financial fraud, money laundering and tax evasion as well as financing terrorism; equally, we will intensify cooperation with all responsible supervisory and investigatory authorities. Measures taken in Germany against money laundering, and thus combatting organised crime, will be in accordance with the international standards of the Financial Action Task Force on Money Laundering (FATF). We will also amend the definition of money laundering (Article 261 of the Criminal Code (StGB)) accordingly.

We intend to work out proposed solutions for dealing with the consequences of an enduring low interest rate environment and for taking suitable measures which are fair to every generation and in the interests of insurance policy holders so as to strengthen the stability of the life insurance companies and their ability to withstand risk.

National financial market supervision in its structure to date, comprising the BaFin and the Deutsche Bundesbank, has proven effective and is an essential part of the concept for the new European supervisory structure. The BaFin will be given the opportunity to restrict or prohibit the sale of complex and non-transparent financial products in accordance with European regulations in cases where such products threaten the stability of financial markets or entail disproportionate risks for investors. It will be assigned collective protection for consumers as an important objective in its supervisory activity.

We support European initiatives to make bank accounts accessible to everyone. During national implementation, we will ensure that all banking groups are appropriately involved.

Use of overdraft protection should not impose an undue burden on any bank customer. As a result, the banks should be obliged to notify an account holder if an account balance dips into overdraft territory; in the event

of continued resort to overdraft protection at a significant level, they should be obliged to offer the client advice on possible less expensive alternatives to overdraft.

We will push ahead with introducing up-front fees for advice as an alternative to commission-based advice for all financial products, and we will set exacting requirements for the quality of advice. The job descriptions and training standards for consultants operating on a fee basis will be developed further.

We will examine the advice report used in financial investment consulting with regard to its practical handling, and will develop it further with improvements for investors.

We intend to implement a financial transaction tax rapidly with a broad assessment basis and low tax rate, which will be done in the course of closer cooperation within the EU. As far as possible, such taxation should encompass all financial instruments, especially shares, bonds, investment certificates, foreign exchange transactions as well as derivative contracts. We intend to design this tax in such a way as to avoid evasive responses. In doing so, it will be important to evaluate the effects of the tax on pension scheme instruments, on small investors as well as on the real economy and to avoid negative consequences while displacing unwanted forms of financial transactions.

Sustained growth needs long-term investments. Consequently, we will focus on this necessity in all financial market regulations. In other respects, we will examine the interaction between regulatory measures jointly with the BaFin, with regard to their practicality and suitability for purpose.

2. FULL EMPLOYMENT, GOOD WORK AND SOCIAL SECURITY

We want to create general conditions for the economy that will enable it to be competitive, innovative and mobile on the global labour market. We want work for all, work that is safe and well paid. Through an intelligent labour market policy, we want to lay the foundations for more employment and a strong social partnership between employers and unions.



2.1. Improving employment opportunities

Active labour market policy

Time and time again, a modern economy in global competition presents new challenges to the workforce, companies and social security systems. We regard the following structural adaptations as necessary for the continuation of economic success and people's social security:

Opening up new opportunities for people with few qualifications and the long-term unemployed

Demand in the job market has rarely been higher. This opens up opportunities when it comes to tackling long-term unemployment. As a result, we want to focus on labour market policy.

People who have been unemployed for many years have rarely had access to the job market in the past. Personal obstacles to placement are frequently the cause of this. Therefore, we want to provide work with a living wage for people with few qualifications and the long-term unemployed, to qualify them appropriately and to support them in the long term if need be, by creating the necessary general conditions under which this can be done. We focus in particular on the group of long-term unemployed people who will only be able to participate and integrate themselves in the labour market if they are provided massive support. One of the ways we want to achieve this objective is by means of an ESF/Federal Government program for the long-term unemployed and by attracting employees to take an interest in the group that is disconnected from the labour market.

The methods used for controlling basic social security provision for job seekers should increasingly focus on the objective of "preventing dependence on welfare" and distributing funds more with regard to the effect that can be achieved. At the same time, the appropriateness of the problem indicator as a means of distribution should be put to the test.

In order to consolidate funding payments, we want to improve the effective ability to transfer budget funds from one budget year to the next in basic social security provision.

Transition from school - apprenticeship - job

The best and most effective means of preventing apprenticeship dropouts and long periods of unemployment in the course of people's lives is to create appropriate and solid transitions from school to apprenticeship and a career. Therefore, we want to facilitate the successful apprenticeship and job entry program for young people with lower achievement levels, and we intend to monitor this closely.

Youth job agencies to be set up nationwide should combine the services provided under Social Security Codes II, III and VIII for the under-25s. Clarification of data protection legislation should facilitate the necessary exchange of information. Young people whose parents have been living on basic social security provision for years should receive specific support.

In future, only adequate qualification will provide long-term protection against unemployment, and the need for specialists is expected to increase, as a result of which we want to invest specifically in requalification of young adults who do not have professional qualifications. For this reason, we will commit to continuing the "AusBildung wird was - Spätstarter gesucht" initiative for post-school education as a "2nd Chance" programme. Improved general financial conditions should promote the readiness and staying power of young adults to achieve qualifications, even at a relatively older age.

Special regulations in short-time work

The instrument of short-time work made an enormous contribution to allowing companies to hold onto valuable specialists during the crisis. We are agreed that we will quickly reintroduce the tried-and-tested special regulations for promoting short-time work promptly by legislation in the event of a crisis comparable with the years 2009/2010, thereby safeguarding jobs.

Unemployment benefit for employees predominantly on short-term contracts

During the coming legislative period, the coalition will advocate a social safety net for people working in the creative and cultural industries, and ensure that further improvements are achieved. In particular when the current regulation on drawing time-limited unemployment benefits for people who are predominantly employed on short-term contracts expires, which is also of significant importance to many people working in the cultural in-



dustry, the coalition will introduce a follow-on regulation at the end of 2014 which will take sufficient account of the peculiarities of employment histories in the cultural industry. Amongst other things, the general time limit should be extended for them from two to three years, during which they must satisfy the qualification period for drawing time-limited unemployment benefits.

Simplification of the law in basic social security provision for job seekers

Anyone who is entitled to basic social security provision should receive their entitlement more expeditiously and directly than has previously been the case. Local administrations should be able to work as efficiently as possible, and with a correspondingly efficient use of resources. Consequently, we want to make the legislation on benefits and procedure for basic social security provision more simple and effective for job seekers. For this purpose, the results of the working group established by the Federal Government and federal states in 2013 for simplifying the law in the second Social Security Code (SGB II) should be examined intensively in particular, and implemented by legislation if appropriate.

Improving employment promotion

We want to orient employment promotion more specifically to the needs of women and their employment histories, which are frequently interrupted. As a result, we will create a program for improving reintegration into the labour force with work that pays a living wage. Furthermore in the case of the long-term unemployed, who as a result of their partner's income being taken into account have not previously been able to claim standard benefits under Social Security Code II or activating benefits, we will examine whether they can be incorporated into the measures under the integration entitlement.

2.2. Good work

Modern Labour Law

We want to strengthen collective-bargaining autonomy. Extending the Employee Posting Act

Industry minimum wages agreed by collective bargaining according to the Employee Posting Act have proven effective. As a result, we will extend the scope of appli-

cation of the Employee Posting Act to all sectors above and beyond the industries already named there.

Adapting and facilitating binding general declarations according to the Collective Bargaining Act

The important instrument of the binding general declaration (AVE) as defined in the Collective Bargaining Act is in need of a timely adaptation to current conditions. In future, a binding general declaration will no longer require the employer subject to a collective bargaining agreement to employ at least 50 percent of its employees under the provisions of the collective bargaining agreement. The existence of a special public interest is sufficient. This is the case in particular if as an alternative:

- The functional capability of joint bodies representing the collective bargaining partners (social security offices) should be safeguarded,
- The binding general declaration safeguards the effectiveness of the imposition of regulations under collective bargaining agreements against the consequences of incorrect economic developments, or
- The collective bargaining partners credibly present collective bargaining coverage of at least 50 percent.

We want collective bargaining partners who submit an application for the binding general declaration to be able to be involved in consultations and decisions of the collective bargaining committee, and we will examine how this can be implemented.

In order to avoid contradictory decisions being reached by courts in different jurisdictions, responsibility for examining the binding general declaration according to the Collective Bargaining Act and statutory instruments according to the Employee Posting Act (AEntG) and Temporary Employment Act (AÜG) will be concentrated in the labour tribunals.

General statutory minimum wage regulation

Good work must, on the one hand, be worthwhile and provide a living wage. On the other hand, productivity and wage levels must be in balance in order for employment within the scope of social security insurance to be maintained. Traditionally, the social partners have established this balance through negotiating collective bargaining agreements.



However, shrinking collective bargaining coverage has led to unregulated areas in the collective bargaining landscape. By introducing a generally binding minimum wage, it should be possible to ensure adequate minimum protection for employees.

On 1 January 2015, a nationwide statutory minimum wage of €8.50 before tax per hour will be introduced for the entire country. Only minimum wages according to the Employee Posting Act (AEntG) will remain unaffected by this regulation.

Deviations on collective bargaining agreements are only permitted under the following circumstances:

- Deviations for at most two years up to 31 December 2016 as a result of collective bargaining agreements between representative collective bargaining partners at industry level.
- From 1 January 2017, the nationwide statutory minimum wage level will apply without restrictions.
- Collective bargaining agreements applicable at the time when the coalition negotiations were concluded will remain in force provided the applicable minimum wage level will be reached by 31 December 2016 at the latest.
- From 1 January 2017 onwards, the nationwide statutory minimum wage level will apply to collective bargaining agreements which would otherwise not achieve the minimum wage level by 31 December 2016.
- In order to ensure that continuing or time-limited, newly concluded collective bargaining agreements in which the applicable minimum wage level will be reached by 1 January 2017 at the latest are compatible with European law, it is necessary for them to be included in the Employee Posting Act (AEntG) up to the completion of their term.

The level of the generally binding minimum wage will be examined at regular intervals - for the first time on 10 June 2017 with effect for 1 January 2018 - by a committee of collective bargaining partners; the level will then be adapted if necessary and extended nationwide by means of a statutory instrument, making it generally applicable.

The members of the committee will be appointed by the leading organisations of employers and employees (size:

3 and 3, plus chairperson). Scientific experts (without voting rights) will be appointed at the proposal of the leading organisations of employers and employees (1 plus 1).

The post of chairperson is alternating, with specific arrangements being provided for by law.

We will work on the law in dialogue with employers and employees from all industries in which the minimum wage will apply, and take account of possible problems in its implementation, e.g. with regard to seasonal work.

In other respects, it goes without saying that the minimum wage regulation is not relevant for voluntary activities that are remunerated under the mini-job regulation, because generally speaking such jobs do not have the character of independent employment subject to directives.

Preventing the misuse of fixed-term contract structures

Illegal contractual structures in fixed-term contracts which impose a burden on employees must be prevented. For this purpose, it is necessary to concentrate the investigation activities of the monitoring and investigating bodies within the Financial Control of Undeclared Employment; such investigations must be made more organisationally effective, facilitated and personalised to an adequate extent and, in addition, the rights of works councils to receive information and provide notification must be made more specific, and sanctions imposed on concealed employee posting. A given work contractor and their client are not allowed to be placed in a better position than those who conduct employee posting in an unauthorised manner, even if a hiring permit is in place. Statutory employment protection must be guaranteed for employees on fixed-term contracts.

In order to make it easier for public authorities to conduct investigations, the demarcation criteria largely established in case law between proper versus abusive use of external personnel will be set forth under the law.

Developing employee posting further

We will tighten up the Temporary Employment Act (AÜG) to the extent that posting employees to a hiring company is conducted on a temporary basis, by defining a maximum posting period of 18 months under the law. By means of a collective bargaining agreement between the collective bargaining partners in the industry of em-



ployment, or on the basis of such a collective bargaining agreement within a company or service agreement, it is possible for different solutions to be agreed with consideration for the justified interests of the regular workforce. We will continue to develop statistical reporting on employee posting as required.

The coalition wants to orient temporary work towards its core functions. As a result, the Temporary Employment Act (AÜG) will be adapted in light of current developments, and amended:

- The coalition partners are in agreement that temporary workers will be treated as equivalent to the regular workforce after at most 9 months in future, with regard to the remuneration for their work.
- No use of temporary workers as strike breakers.
- To facilitate the activities of works councils, it will be clarified under the law that temporary workers must always be considered with regard to the threshold values defined under industrial relations law, provided this does not conflict with the objective of the standard in question.

Adherence to collective bargaining agreements in awarding law

There are already awarding laws in place at the level of the federal states which make the awarding of public contracts subject to compliance with generally binding collective bargaining agreements. We will also examine the introduction of comparable regulations at national level, subject to compliance with European law. The result must not be allowed to create bureaucratic obstacles.

Regulating uniform wage structures by law

In order for coalition and collective bargaining pluralism to proceed in an orderly fashion, we want to prescribe by law the principle of uniform wage structures according to the company-related majority principle with the involvement of the leading organisations of employees and employers. Constitutional concerns will be taken into account by associated procedural regulations.

Regulating employee data protection by law

We are following the negotiations towards the European Basic Data Protection Regulation with the objective of

retaining our national data protection level - even when it comes to cross-border data processing - and permitting standards which exceed the European level. In the event that conclusion of the negotiations on the European Basic Data Protection Regulation is not to be expected within a reasonable timeframe, we intend to create a national regulation for employee data protection in this regard.

Protection for whistle blowers in the employment contract

With regard to protecting whistle blowers, we will examine whether international requirements are being implemented sufficiently.

Further development of the Part-Time Working Law

With regard to employees who have decided to take part-time employment, for example, in order to bring up children or care for family members, we want to ensure that they can return to their earlier working hours. For this purpose, we will develop the Part-Time Working Law further and create a right to time-limited part-time work (right of return).

For existing part-time employment contracts, we will shift the burden of proof in the Part-Time Work and Fixed-Term Employment Contracts Law to the employer. We want to eliminate existing disadvantages suffered by part-time workers.

Comprehensive safety at work

Protection of the workforce against dangers in the workplace and reinforcing health at work is an essential feature of social responsibility. The drastic increase in mental illnesses provides a clear indication of the challenges posed by changes in the work world for German employment protection. Our guiding principle will be health protection at work which takes a holistic view of mental and physical stresses. Cooperation with general health policy will be extended. Company health promotion and employment protection will be more closely linked. We want to strengthen occupational rehabilitation management (BEM) and achieve greater traction.

In practice, health groups in companies have proved to be a successful approach. We want to achieve a situation in which companies cooperate with the statutory health



insurance companies to promote the establishment of more such groups. We will push ahead with developing new prevention concepts and company design solutions for mental stress in close cooperation with the representatives of the Joint German Health and Safety Strategy; we will ensure that the instrument is used more effectively, take measures to improve monitoring of health and safety and include protection of mental health as an objective in existing health and safety regulations which do not yet contain it as a clear definition. We will have experts take stock of the situation and, at the same time, present a sound overview of mental stress factors in the work world, in order to indicate options which can be acted on for necessary regulations. In light of further scientific insights, we do not rule out binding regulations in this regard, in the form of regulations on protection against mental illnesses.

Protection and strengthening of mental health in activities subject to particular levels of stress will be improved further, corresponding research conducted more intensively with the involvement of collective bargaining partners, and proposed solutions will be worked out for avoiding work-related fatigue illnesses and early retirements.

2.3. Social security

Social security for old people

Demographic change is presenting our pension systems with special challenges. The high level of social security in old age we enjoy in Germany today is something we want to retain in the future as well. To do this, we must adapt structures and services continuously through the changes occurring in the work world. In particular, financing needs to be rebalanced time and time again for fair burden sharing between the generations. As a result, like in the job market, we want to establish incentives in the pension plan for as many people as possible who are in good health to remain economically active for as long as possible, thereby strengthening the financial base for our pension systems through their taxes and social security contributions. At the same time, we want to provide enough space for additional benefits and freedoms for people to determine for themselves the structure of the latter stages of their lives.

Shaping work until 67

We are aware that Germany is one of the countries in the world that will be affected by demographic change most quickly and fundamentally. A rapidly aging population must adapt its social and economic structures in order to keep pace with global competition. Germany is now highly regarded internationally because of its widespread reform process that was initiated more than one decade ago. More and more companies are making efforts to allow their workforces to continue working even in advancing years. The appreciation for the capabilities of older employees has noticeably risen in business and society. For a decade now, the working population and the rate of employment amongst the over 50s risen continuously. Today, Germany is only exceeded by Sweden in Europe in terms of employment for older people. This success story of increasing participation by older people in gainful employment is something we want to continue. Our objective is to achieve a modern and competitive society characterised by long life and long working lives.

Since the beginning of 2012, long-term employees have been able to retire after 45 contribution years upon attaining their 65th year of life, without the reductions that would otherwise have been applied. Much has changed in favour of older people in the work world, but we have not yet reached our goal.

Consequently, we will extend the existing legitimate expectation regulation to increasing the standard retirement age: Long-term contributors who have made their contribution towards stabilising the pension insurance system through 45 years of contributions (including times when unemployed) will be able to retire on completion of their 63rd year of life from 1 July 2014 onwards, without any deductions. The retirement age at which access to a pension is possible without deductions will be gradually raised to the end of the 65th year of life in parallel to the increase in the general pensionable age.

Older employees are essential in the work world. Their experience and potential will be increasingly demanded in future, not least because of the growing shortage of specialists. Through taxes, contributions and additional private pension contributions, they play an important part in allowing our social systems to continue to function effectively in spite of demographic change. As a result, we want to support working with a life plan approach. We will improve the legal framework for more



flexible transitions between gainful activity and retirement.

A better safety net for people with reduced earnings capacity

Anyone who is unable to improve their earnings situation is particularly dependent on the solidarity of the community of insured citizens. As a result, we want significantly to improve the pension entitlements of people with reduced earnings capacity. The objective is to provide better safeguards for those who are reliant on these benefits, without establishing new, misguided incentives for early retirements that are not essential. We will increase the additional period of the pension for reduced earnings capacity by two more years effective 1 July 2014 (from 60 to 62). There will be a most-favoured test for the last four years prior to the pension for reduced earnings capacity.

Designing the rehabilitation budget to withstand demographic change

Through improved preventative occupational health management, we want to achieve a situation in which older people can carry on their careers effectively and in good health. People with acute illnesses must be given fast and effective treatment in order to avoid chronic complaints arising wherever possible. The rehabilitation budget will be adapted according to need, taking account of demographic change, so the statutory pension insurance will be able to deliver the necessary rehabilitation and prevention services for its contributors in the future as well.

Strengthening private and occupational old-age provision

In a situation of demographic change, provision for old age will be all the more secure if it is supported by several strong pillars. As a result, we will strengthen occupational old-age provision. It must become a matter of course for employees of small and medium enterprises as well. Consequently, we want to create the conditions for company pensions to be widespread features of small companies as well. For this purpose, we will investigate to what extent possible obstacles in small and medium enterprises can be removed. In the European context as well, we will take care to retain the good general conditions for occupational old-age provision.

Honouring lifetime achievement in pensions

We want lifetime achievement and paying contributions over many years to be reflected in social insurance. As a result, we will introduce a solidarity pension for lifetime achievement. This is expected to be introduced by 2017.

The principle is as follows: Anyone who has been insured under the statutory pension insurance scheme for many years, has paid contributions (40 years) but nevertheless attains fewer than 30 pension remuneration points of old-age income (income test), should find their situation improved by an uprating of the pension remuneration points they have accrued. This will mainly benefit people on a low income, as well as those who have cared for family members or raised children. By means of a transitional arrangement up to 2023 (in this time, 35 years of contribution will be sufficient), we will ensure that the employment histories of people in the new federal states will be especially taken into consideration. In all cases, up to five years of unemployment will be treated in the same way as contribution years. After that, additional old-age provision should be necessary as a precondition for access. In a second stage, those people who do not achieve a pension with 30 remuneration points in spite of this uprating, but who are still classified as needy (means test) will receive a further supplement up to a total of 30 remuneration points. This will be financed from taxation, amongst other means because lower expenditure in basic social security provision in old age will generate a tax subsidy for pension insurance, and also by streamlining the compensatory taxation scheme known as the "Wanderungsausgleich".

Better recognition for bringing up children (mothers' pension)

Bringing up children is a basic condition for the contract between the generations that is embodied in pension insurance. Time spent raising children has been comprehensively recognised in pension law since 1992, whereas this is not the case in equal measure for earlier years. We will make good this inequity. Consequently, from 1 July 2014 onwards, we will take account of the child-raising activities of all mothers or fathers whose children were born before 1992, in the form of an additional remuneration point in the provision for old age. As a result, the child-raising activities undertaken by these people will be recognised better than before in the pension.



Mini-jobs

We will ensure that marginally employed persons are better informed about their rights. In addition, we will facilitate the transitions from marginal to regular employment within the scope of social security insurance.

Retaining independent pension systems

The Federal Government continues to advocate provision for old age for farmers, social insurance for artists as well as professional pension insurance of the registered liberal professions; these will be retained as independent pension systems.

Continuing the East-West convergence process

The timetable to complete convergence, if necessary involving an intermediate step, is laid down in a Pension Alignment Conclusion Law:

At the end of the solidarity pact, i.e. 30 years after the establishment of German Unity, by which time wage and salary convergence will have made further progress; there will be a complete convergence of pension values as a final step. Up to 1 July 2016, we will examine to what extent the convergence process has already been completed, and on this basis decide whether a partial convergence is necessary with effect from 2017.

Self-administration and compensation

Strengthening self-administration

Social self-administration is an expression of the responsibility that social partners in Germany accept for shaping social insurance. We want to strengthen self-administration and modernise social elections. For this purpose, we want to permit online elections in future in order to increase participation in elections. Wherever it is possible and sensible, in particular in the area of statutory health insurance, the selection possibilities should be improved through more direct elections. By taking suitable measures, we want to achieve a situation in which the representative ratio between women and men in self-administration is optimised. Finally, the work of self-administration should be made more transparent, the possibility for continuing education improved and the regulations for exemption made more specific.

Modern compensation law

We want to restructure the law on social compensation and compensation for victims within a contemporary set of rules, putting it on a sound footing for the future. In doing so, we want to take account of changed social developments and insights, including in the area of psychological violence. Victims of violence should receive fast and straightforward access to immediate assistance (e.g. trauma outpatient departments), and be professionally supported. A transparent and specific catalogue of benefits should contribute to improved participation. The legal reform will not involve any decrease in benefits.

Ghetto pension

We are aware of the historic responsibility towards Holocaust survivors who suffered unspeakable torments under the National Socialist regime.

Consequently, we want to take account of the justified interests of Holocaust survivors for appropriate compensation for work that was undertaken in a ghetto.

Interfaces between the social insurance codes

We want systematically to review the interfaces between the various social insurance codes, as well as between the codes and the Federal Education and Training Assistance Act,

and make them dovetail better. Loopholes in protection and assistance should be avoided.

2.4. Health and caring

Outpatient health provision

Our health policy is focussed on patients and the quality of their medical care. The privately employed status of practice-based physicians, dentists and psychotherapists is an essential element in comprehensive outpatient care. It represents a guarantee for freedom of diagnosis and therapy, as well as a free choice of physician.

In order to ensure comprehensive provision, we want to improve further the incentives for practises to be established in areas with below-average supply. As a result,



we will dismantle unnecessary bureaucratic requirements and make the general conditions more flexible for authorising physicians and psychotherapists to practise. The possibility for allowing hospitals to offer outpatient care in areas with below-average provision will be improved. For this purpose, with regard to the empowerment in Article 116a of the 5th Social Security Code (SGB V), the word "can" will be replaced with "must" and an annual binding examination will be introduced. We want to make the funding of practice networks binding and extend it. The statutory regulations on reducing overprovision by purchasing physicians' practices will be converted from an optional to a mandatory regulation.

We want to reduce waiting times in psychotherapeutic provision, and open up a short-notice offer for short-term therapy to more patients. For this purpose, we will reduce the bureaucratic hurdles in the application and peer-review process, promote group therapy and task the Federal Joint Committee with revising the psychotherapy guidelines within a legally defined period. We will examine the existing empowerment restrictions for psychotherapists.

We want to reduce drastically the waiting time for a doctor's appointment for people on statutory insurance. In future, they should be able to turn to a central appointment service center at the Association of Statutory Health Insurance Physicians (KV) when being referred to a specialist. This will arrange a treatment appointment within one week. Generally speaking a waiting period of four weeks for the appointment should not be exceeded. If this does not succeed, the appointment service centre will offer an appointment for outpatient treatment in a hospital - except in cases where this is not medically justified. Treatment will then be carried out at the expense of the corresponding KV budget. These appointment service centers can be operated in cooperation with health insurance companies.

In the future as well, we want to promote the role of the family practitioner and further strengthen family practitioner care. Family practitioner services provided by specialists should in future not reduce the family practitioner portion of overall remuneration. This applies conversely to specialist services undertaken by family practitioners.

The representative councils of the National Association of Statutory Health Insurance Physicians and associations of statutory health insurance physicians will be formed in equal measure from family practitioners and specialist

physicians. The family practitioner members of the representative council will decide on purely family practitioner concerns, while the specialist physician members of the representative council will decide on purely specialist physician concerns. We will make mandatory provision for an advisory technical committee for government-employed physicians in outpatient care.

In future, medical care centers equivalent to physician groups will be authorised. In addition, local authorities will also be enabled to establish medical care centers; the priority for a medical applicant will be unaffected by this (Article 103 para. 4c of the 5th Social Security Code (SGB V)). With regard to remuneration and authorisation, the medical care centers will not be allowed to be disadvantaged within the framework of existing law.

We will make legal provision with regard to pharmaceuticals and remedies for the current efficacy tests to be replaced by regional agreements between health insurance companies and SHI self-administration by the end of 2014. Furthermore, we want to prevent unwarranted compensation claims on reassessments against healthcare professionals.

We want to overcome gaps in provision in the transition from inpatient to outpatient care by supplementing discharge management with a statutory coordination function from the health insurance companies. The opportunities for hospitals to prescribe care on discharge will be expanded. Hospitals can instigate a transitional care arrangement. Cost-effectiveness requirements must be borne in mind, priority consideration for arrangements by the prescribing hospitals will be excluded.

Medical treatment centers will be created for adults with mental disability and severe multiple disabilities, similarly to the sociopaediatric centers for dental and medical treatment (new Article 119c of the 5th Social Security Code (SGB V)).

The use of qualified non-medical health professions providing delegated medical care should be made possible nationwide and remunerated according to the services provided. Model projects for trialling new forms of substituting medical provision should be launched and evaluated. Depending on the result, they will be transferred into regular care.

The health insurance companies must be provided with freedom to create effective contracts in a competitive environment, as well as taking account of regional pecu-



liarities. The general legal framework will be harmonised for the various possibilities of arranging integrated and selective forms of care (Articles 63 to 65, 73a, 73b, 73c, 140a ff. of the 5th Social Security Code (SGB V)), and existing obstacles to implementation will be eliminated. Similar arrangements will be made in particular with regard to evaluating integrated and selective forms of care through an agreement between the contractual partners as well as validation of the effectiveness towards the responsible supervisory authority after four years in each case. We will remove the regulations on the minimum duration and substitution of regular care, and simplify the adjustment process. Forms of care which have been shown to offer quality and cost effectiveness should be transferred into regular care in a suitable way.

The health insurance companies will remain legally obliged to offer family practitioner-focused care. Family practitioner-focused care will be developed further and supplemented by suitable instruments in order to improve cost effectiveness and provide quality assurance. The existing remuneration limits will be lifted. To the extent that structured treatment programs affect family practitioners, they will be a component of the contracts for family practitioner-focused care. Furthermore, care provided by specialist physicians should be strengthened.

We will examine whether the differences in medical remuneration due to peculiarities in the care and cost structure are justified, and how unjustified discrepancies can be ironed out.

The structured treatment programs for chronically ill people will be developed further; new programs should be developed for treating back complaints and depression.

Cross-sector quality assurance with routine data will be extended. We will establish the legal framework for an institute that will continuously and independently assess the quality of outpatient and inpatient care, and provide the Federal Joint Committee with grounds for taking decisions. The statutory health insurance companies will be obliged to provide the institute with appropriate pseudonymised routine data.

We want to increase the availability of routine data from statutory health insurance for research into care and care management by health insurance companies. In future, morbidity should additionally not just be determined by performance data; in the medium term, epi-

demiological data should also be used. In future, regional characteristics in patient-related expenditure will be surveyed in order to improve the data situation for research into care.

Electronic communication and information technologies can further improve the performance of our health system. This applies in particular to master data on insured persons, emergency data, communication between all service providers, improvement in drug therapy safety and data for improved admission and discharge management. Obstacles to the exchange of data and interface problems will be removed, and competition between IT providers will be encouraged. A high level of data protection is a fundamental requirement in this. Telemedical services should be encouraged and appropriately remunerated.

We will introduce a new criminal offence in the Criminal Code, namely passive and active corruption in the health system.

An innovation fund will be created in order to fund innovative cross-sector forms of care and research into care. For this purpose, €300 million will be provided by the health insurance companies; in exchange, the health insurance companies will receive an extra €150 million in allocations from the health fund. The innovation fund will provide funding for care services above and beyond regular care amounting to a total of €225 million, and the total amount of €75 million will be expended on care research. Regarding disbursement of the

funds, the Federal Joint Committee will establish the criteria. Disbursement will take place in an annual tendering process undertaken by the Federal Joint Committee. An evaluation will be made after four years.

Hospital provision

Comprehensive hospital provision forms one of the main elements of public service provision. The hospital of the future must be good, easily reached and safe.

People must be able to rely on being treated in accordance with state-of-the-art medical procedures and with the best quality. We will improve the quality of inpatient care in a quality campaign. Quality will be introduced as a further criterion for decisions in hospital planning (Article 1 of the Hospital Financing Act (KHG)).



In the new quality institute to be founded, cross-sector routine data will be collected, evaluated and published in relation to the institutions. Compliance with requirements in the quality guidelines of the Federal Joint Committee (GBA) is mandatory. The medical service of the health insurance companies should in future conduct unannounced checks in hospitals in order to examine compliance with the specifications of the Federal Joint Committee on internal and external quality assurance. The authority of the Federal Joint Committee to define minimum quantities is something that we want to establish securely under the law. The exemption powers of the federal states will remain unaffected by this.

The quality reports to be prepared annually by hospitals must become more comprehensible, transparent and specific as the basis for decisions by patients. The Federal Joint Committee will be instructed to improve the validity and comprehensibility of the hospitals' quality reports, and integrate aspects of patient safety as well as the results of patient surveys. For this purpose, the quality institute should create and update a comparison list which can be viewed online, as well as evaluate and rank the large number of certificates. The OP safety checklists that are already used by some hospitals are becoming a general standard of quality assurance.

Good quality must also pay off financially for hospitals. In future, quantity should only be considered where it arises. In determining this, we want to differentiate within the currently existing system of increased efficiency discounts between two categories: Care that is proven to offer high quality can be exempted from the increased efficiency discounts; indeed supplementary payments are possible for particularly good quality. Conversely, higher discounts should also be possible for below-average quality in individual care services. At the same time, the quality should be risk-adjusted and measured using key indicators. The degeneration in the basic case value in each federal state with nationwide quantity increases will be reduced accordingly.

As a further means of improving the quality of care, health insurance companies will be given the opportunity during the years 2015 to 2018 to conclude model quality contracts with individual hospitals for four plannable care services selected by the Federal Joint Committee. The criteria for quality contracts will be defined by the health insurance companies at federal state level on a uniform and joint basis. Freedom of hospital selection will remain unaffected by this. This will be followed by an evaluation.

Provision of hospitals close to where people live must be guaranteed not only in conurbations, but also in rural areas. For this purpose, we want to ensure that hospitals can carry out their care task even in regions with underdeveloped infrastructure. The introduction of the diagnosis-related groups system (DRG system) as a performance-oriented remuneration system was correct. In future, the Institute for the Hospital Reimbursement System will be able to select calculation hospitals in an adequately representative manner. Reduced material costs must be represented promptly in the calculation.

We want to support the federal states in further developing hospital planning from a location-based care planning approach to one orientated towards accessibility. Possibilities for agreeing to safeguard bonuses should be stipulated by law for this purpose. Criteria will be defined in future by the Federal Joint Committee. If they are met, a safeguarding bonus will be paid following approval of the federal state. It must also be examined whether the running costs of hospitals can currently be adequately financed, especially with regard to emergency care.

People must be able to rely on operations only being performed that are actually medically necessary. As a result, patients will in future normally have the opportunity to obtain a second opinion from another specialist or hospital. This concerns treatments to be defined by the Federal Joint Committee, the quantity of which can be planned. During diagnostic evaluation, doctors will be obliged to explain to patients that they have the right to obtain a second opinion. This information must be given at least 10 days before the operation. The costs will be borne by the health insurance companies.

Ultimately, safe treatment is only possible in places where the medical and care personnel are not subjected to excessive burdens. We want to guarantee that personnel cost, especially for care, are adequately considered and given the appropriate weighting at the level of the DRG calculation. Hospitals will have to demonstrate that they have actually used these funds for personnel costs by appropriate and straightforward means in the course of budget negotiations.

Hospitals which use new medical products of a high risk category should be obliged to participate in benefit and safety studies by the Federal Joint Committee during the phase after market launch. Corresponding methodological evaluation processes of the Federal Joint Committee should be completed after two years at most under normal circumstances.



Registers improve patient safety and quality because of the long-term observations they entail. As a first step, we will establish a transplant register and implant register, with mandatory data delivery. Existing registers will be included at the same time. We will evaluate and extend measures already introduced to avoid infections contracted in the hospital. Information on infections contracted in the hospital must be a mandatory component of the quality reports.

Certain differences in the basic case values in each federal state cannot be explained by peculiarities in the care and cost structure or different implementation of legal obligations. They should be eliminated. The Federal Government/federal states working group will work out points of reference on the basis of the report to be presented in this regard. A legal regulation for implementing the points of reference should come into force by 1 January 2016.

The costs of hospitals should be taken into account more effectively with the further development of hospital prices above the benchmark value; as a result, this must also be based more on the specific conditions in the hospital sector. At the same time, it remains the task of hospitals to work efficiently and cost-effectively.

Outpatients' emergency care is concentrated on hospitals outside general practice consulting times. This makes it necessary to adapt the legal framework and the corresponding remuneration. In this context, we are striving for normal cooperation between the associations of statutory health insurance physicians and the hospitals in order to safeguard outpatient emergency care. The out-of-hours opening times of pharmacies should be included in a cooperation of this kind. The service guarantee remains with the associations of statutory health insurance physicians.

We will provide remuneration more effectively for the special tasks undertaken by university clinics and maximum care hospitals in the DRG system. The Institute for the Hospital Reimbursement System must present a suitable, special form of remuneration by the end of 2014 for maximum cost cases that cannot be adequately handled using fixed-sum treatments. In future, services of university hospital outpatient departments will be appropriately remunerated.

Quality will be strengthened as a criterion for entitlement to participate in specialty outpatient care (Article 116 b of the 5th Social Security Code (SGB V)). The

Federal Joint Committee will define how the quality records will be kept. Quality data of the quality institute will also be used for this purpose.

In order to prepare for the indicated hospital reform under the responsibility of the Federal Ministry of Health, we advocate a Federal Government/federal states working group which should work out corresponding points of reference by the end of 2014.

A new remuneration system in psychiatry and psychosomatic medicine must not be allowed to disadvantage people with extremely severe mental illnesses; it must promote cross-sector treatment and reduce waiting times without generating a revolving-door effect. Systematic changes must be made to the remuneration system for this purpose. We will hold to the fundamental objective of creating greater transparency and performance orientation in this area, as well as improved coordination between outpatient and inpatient care.

Medicines, health professions and prevention

We stand for comprehensive, innovative and safe provision of medicines in Germany. Direct access to new medicines for all insured people in Germany is a tremendous asset. We want to establish interdepartmental dialogue with the involvement of academics and medicine manufacturers in order to strengthen Germany as a location for research and production.

We regard the interplay between benefit assessment and subsequent price negotiations as a fundamental learning system which we will develop further if necessary. In future, there should normally be at least one representative of a member company of the National Association of Statutory Health Insurance Funds participating in price negotiations, in order to strengthen the supply aspect. We will terminate the entire benefit assessment for pharmaceuticals in market (Article 35a para. 6 of the 5th Social Security Code (SGB V)). This also applies to ongoing processes. In order to achieve the planned volume of savings in this regard, we will continue the price moratorium at the level of prices from 1 August 2009 without interruption, and increase the manufacturer discount on prescription medicines (Article 130a para. 1 of the 5th Social Security Code (SGB V)) from six to seven percent starting from 2014. This arrangement will be examined annually from 2015 onwards, to judge whether an adaptation is necessary depending on the financial position of



the statutory health insurance scheme. The discount must not fall below six percent.

The legal prerequisites for the early benefit assessment of medicines will be stated as follows: All active ingredients that have been introduced onto the market after 1 January 2011 will come under the benefit assessment process following initial approval and on broadening of the indicated therapies. The phase of free price determination will only be granted once, namely on assessment of novelty of an active ingredient.

We will clarify by law that the agreed refunding amount represents the basis for calculating the supplements and discounts in the distribution stages. The ability of the pharmaceutical entrepreneur to display a list price is unaffected by this.

When discount contracts are concluded, the parties to the contract must guarantee security of supply by agreeing measures against supply shortages. This applies to vaccines in particular.

The Federal Joint Committee will be given the task of working out what is referred to as a substitution list containing medicines that are not allowed to be exchanged within the framework of discount contracts. If this is not defined within a legally specified period, the list will be established as a default measure.

A high-quality, secure supply of medicine close to where people live requires private pharmacists working in owner-managed pharmacies. The existing prohibition on third-party and multiple ownership will be retained.

We will make it clear that direct doctor-patient contact must be a precondition for the first prescription of medicines. Online consultations are not sufficient for this; rather they represent a risk of misdiagnoses, and can thus endanger patient protection.

Health professions and medical study

In a conference involving the health and science ministers of the Federal Government and federal states, we want to develop a "Master Plan for Medical Study 2020" with the purpose of making a more targeted selection of applicants for slots in courses, funding real-life relevance and strengthening general medicine during study.

Funding for continuing education in general medicine will be increased by fifty percent, and coordinated across the federal states if necessary.

In addition, there are limits to knowledge with real-life relevance that can be communicated exclusively in clinics. As a result, we want to promote continuing medical education in all basic specialties at outpatient establishments.

We will revise the Psychotherapy Act, together with the conditions for access to training.

It is important to us that nationwide obstetrics provision be guaranteed. As a result, we will observe the situation in obstetrics and with regard to midwives, and ensure appropriate remuneration.

Placing prevention and health promotion in the foreground

During 2014, we will pass a prevention law which will in particular strengthen the preventative aspect and promote health in areas of life such as kindergartens, schools, companies and care homes, as well as occupational health promotion, and will include all social insurance providers.

Cooperation and coordination between all social insurance providers as well as the federal states and local authorities will be improved at federal state level by means of mandatory outline agreements along the lines of the regulations for funding dental health (Article 21 of the 5th Social Security Code (SGB V)) and vaccinations (Article 20d para. 3 of the 5th Social Security Code (SGB V)). Uniform health targets and specifications on quality and evaluation must be considered on a nationwide basis. Approaches made by federal states to encourage prevention will be included.

Furthermore, we will strengthen early detection check-ups for children and precautionary medical check-ups for adults. Moreover, we want to increase the vaccination rates in Germany.

We want to take account of the relevant specialties that result from female and male health research, especially with regard to health care and working out medical treatment guidelines.



Financing and risk structure compensation

The fact that statutory health insurance is currently on a sound financial basis must not lead us to overlook the situation that forecast expenditure by the health fund will exceed its income from as early as 2015. We want to counteract this by means of a cautious expenditure policy.

The general equally financed contribution rate will be set at 14.6 percent, meaning that the employer's contribution is defined by law as 7.3 percent.

In future, the competing statutory health insurance companies will levy the additional contribution for individual health insurance companies as a percentage of the income subject to contributions.

The proportion of 0.9 contribution rate points solely paid by the employee today will go towards this additional contribution. A complete income compensation arrangement is required so that the different income structures of the health insurance companies do not lead to distortions of competition.

This means there will be no need for tax-financed social compensation.

The morbidity-oriented risk structure compensation (Morbi-RSA) forms the financial starting point for fair competition between health insurance companies. We want to see simultaneous implementation of the proposals made in the most recent report by the scientific advisory council of the Federal Insurance Authority regarding further development of risk structure compensation for annualising the costs of deceased insured persons as well as with regard to sick pay and people insured abroad.

Caring

Care must remain affordable for everyone who depends on it.

We want to give better recognition to the need for care, in order to improve the situation of those in need of care, of family members and people who work in the care sector. To do this, we want to introduce the new concept of the need for care on the basis of recommendations by the expert advisory council as quickly as pos-

sible during this legislative period. In particular, people suffering from dementia should receive better and more appropriate support. Those who are currently receiving support will not be disadvantaged by the introduction.

With regard to acceptance of a new concept of the need for care, it is decisive that no new inequalities should be created. In addition, it is necessary to avoid costs of other providers being transferred to care insurance, to the detriment of the community of insured citizens.

With the new concept of the need for care, we want to test and scientifically evaluate the reporting systems with regard to their practicality and the ability to implement them. On this basis, we will then also implement the provisions for regulating benefits during this legislative period.

The "Alliance for People with Dementia" is intended to support those affected and promote understanding and sensitivity for dementia illnesses. For this purpose, already existing initiatives at local level should be concentrated, combined and further developed jointly.

Care in the social space needs qualified services and facilities. Care provided by relatives and families, committed citizens and volunteers should be professionally supported and supplemented by qualified services and facilities. As a means of strengthening outpatient care, we will further coordinate the services offered in the outpatient and inpatient sectors.

Up to the point when the new concept of the need for care is implemented, we will proceed rapidly and above all to expand further the existing support services, extending them to all those in need of care. Assuming a ratio of one care worker for 20 people in need of care, for example, a total of up to 45,000 support personnel will be working in inpatient facilities.

Furthermore, we will achieve better and more flexible coordination of care insurance services such as short-term care and care if the carer is absent, day and night care as well as the different forms of support, including through the introduction of budgets.

In terms of socio-environmental care, we will expand the subsidies for measures to improve the living environment or start-up financing for forms of living involving outpatient support.



We want older people who are in need of care to be able to live their lives in their own home, and to individually take the majority of decisions affecting them. Developing offers for support in a manner appropriate to age and technical support systems are thus concepts we want to promote further, including them in the catalogue of care insurance services.

A humane society must offer the opportunity to die with dignity. We want to support hospices further and extend provision of palliative medicine.

People who are caring for others need time for this, and must be able to combine their care activities with their career. We will combine the opportunities offered by the Home Care Leave and Family Care Leave Act with a legal entitlement and develop them further in order to support improved coordination between care and career.

We will link the ten days of time-off for relatives who require time at short notice in order to organise a new care situation with an earnings replacement benefit similar to child sickness benefit, building on the existing statutory regulation.

We want to expand further assistance to allow continued living at home. We will examine whether care time can be credited better in pension insurance.

In future, representatives of those in need of care and their relatives as well as the caring professions should be represented with voting rights on the decision-making committees of the medical service of the health insurance companies.

We are examining the interfaces between the 5th Social Code (SGB V) and 11th Social Code (SGB XI) with regard to consistent implementation of the principles that outpatient care should take precedence over inpatient care, and that prevention should take precedence over rehabilitation and preliminary care. We will localise financial responsibility where the need arises, in order to prevent these issues from being shelved. Consequently, we will also examine whether the care insurance scheme should participate in the costs of geriatric rehabilitation.

Good care is predicated on highly qualified and motivated personnel. Within the legal possibilities, we advocate minimum personnel standards in the care sector, and we want to improve recognition of the caring professions. Mandatory documentation and bureaucracy must be pared down to the minimum necessary.

It must be made easier to change between caring professions. We want to reform care training by introducing a Caring Professions' Act providing for a uniform job description with a common basic training and specialisations built on that for care of the elderly, the sick and sick children. We want to strengthen the training that is available at state-run vocational schools and provide equitable, uniform and joint financing for training. The objective should be a transparent and permeable training and further education system.

We are examining a binding process for refinancing the costs of training in order to ensure that all medical institutions participate in the costs. The dual training system involving a training organisation and school will take on a central role in future.

The training must be free for each apprentice. Financial contribution by the federal states to the costs of training in schools must also continue to be guaranteed. A binding and long-term regulation on complete financing of training costs for retraining measures by the Federal Government and federal states should be achieved.

We want to achieve improved concentration and networking in self-help work, the services offered by care insurance companies, care support points as well as other existing support factors and services offered by care insurance companies in order to reduce the burden on relatives who provide care. We advocate further development of the care line, developing it into an emergency telephone service, "Care for relatives".

In order to improve transparency and user orientation in the care sector, quality assurance processes will have to meet scientific standards as well as be developed further on a continuous basis – including with regard to cutting red tape and taking a cross-sector approach – for a more binding structure.

The care transparency agreement should be developed further with the objective of making the quality differentials between institutions clearer for consumers in the future. In this regard, we will tighten up the decision-making structures of the self-administration partners and reduce the opportunities to impose blockages.

We will improve the process of publishing the results of quality checks carried out by the medical service of the health insurance company and the testing service of the Verband der privaten Krankenversicherung e.V., a chari-



table organisation working in the private health insurance sector.

Care is an issue for all of society. As a result, the Care Insurance Act already requires local authorities and the federal states to make an important contribution.

In a Federal Government/federal states working group chaired by the Federal Ministry of Health, we will clarify how the role of local authorities can be further strengthened and extended in care. In particular, this should clarify how the control and planning competence for the regional care structure can be reinforced. In coordination with urban planning instruments, social spaces should be developed so that people in need of care can stay in their familiar environment for as long as possible. In addition, local authorities should be more directly involved in the structures of care with a responsible role. Due to their high socio-environmental relevance, this will involve consideration for outreach and supporting care advice, especially at care support points, caring courses for relatives and volunteers, ongoing advice for the receivers of care allowance as well as involvement in ensuring that services are provided for measures to promote infrastructure development.

The equal contribution rate for care insurance will be increased by 0.3 percentage points by 1 January 2015 at the latest. This increase will provide the income derived from 0.2 percentage points for financing the agreed short-term service improvements, especially for improved support of those in need of care, as well as the revitalisation of services envisaged by law for 2015. Income from the further increase of 0.1 percentage point will be applied to establishing a nursing care fund intended to reduce future increases in contributions. This fund will be administered by the German Bundesbank.

As a second step in implementing the concept of the need for care, the contribution will be increased by a further 0.2 percentage points, thus equating to a total rise of 0.5 percentage points in this legislative period.

3. SOLID FINANCES

Solid state finances – sustainable and fair to each generation

Germany is an economically and socially stable country with a firm financial base. Important fundamental as-

pects have been created to achieve this during the past decade. They must be developed further in the light of national and international changes, in order to secure competitiveness, innovative potential and social cohesion. We want to establish the preconditions for investment in the future on a continuing firm financial basis. Sustained consolidation of the overall public budget represents an important prerequisite for this. The Federal Government, federal states, local authorities and social security offices must be provided with the finances they need in order to carry out the tasks that have been assigned to them, enabling them to set our country's course for the future within the framework of their powers. At the same time, it is necessary to take a critical look at expenditure on all levels.

Nationwide responsibility

The Federal Government, federal states, local authorities and social security account for the overall public budget. They must work together to establish the regulations and agreements on Germany's financial and budgetary policy:

- The debt rule passed by the last Grand Coalition in the Basic Law must be strictly observed. The Federal Government has already met the obligations that apply to it at an early stage, and must not be allowed to fall short of this standard.
- The nationwide obligations under the European Fiscal Pact must be complied with.
- The stability criteria for deficit and debt quotas under the strengthened European Stability and Growth Pact must be observed.
- The Stability and Growth Pact demands a consistent reduction in the overall governmental debt-to-GDP ratio to below 60 percent of gross domestic products (GDP). We want to reduce the ratio from 81 percent (at the end of 2012) to less than 60 percent within ten years. By the end of 2017, we are targeting a reduction in the ratio to below 70 percent of GDP.

We are aware of our responsibility for ensuring that Germany plays its part in Europe by means of a solid and sustainable financial and budgetary policy. Germany is called on to make a contribution towards the stability of the Euro zone through a budgetary and financial policy that is oriented towards stability and growth on all levels of the state.



The Federal Government's contribution to nationwide responsibility

In 2012, the federal budget completed the year with new structural borrowing of less than 0.35 percent of GDP. We do not intend to stop here. We want sustainably balanced budgets. We will shape the income and expenditure of the Federal Government in such a way that it achieves a structurally balanced budget from 2014, and beginning in 2015 we will present a budget with no overall new borrowing.

Political objectives must be oriented towards the requirements of quality, rather than quantity. In order to improve expenditure efficiency, it is necessary to conduct appropriate cost-effectiveness studies for all financially effective measures, examining the necessity for expenditure.

The top-down process of setting a budget has proven effective. It will be supplemented by a detailed budget analysis on the income and expenditure sides in advance of the decision on principal parameters for individual areas of policy that have each been selected in advance. As a result, the budget-setting procedure within government will be directed more in terms of content, and the effectiveness orientation of the budget will be improved.

We will be guided by the following important budget policy principles:

- Calculated across the legislative period, growth in expenditure should if possible not outstrip growth in gross domestic product.
- Financially effective projects and burdens on the income and expenditure sides must be comprehensively demonstrated to offer effectiveness.
- In any event, we will implement the projects stated as "priority measures" in this coalition treaty. All measures up to €10 million agreed in this coalition treaty must be financed by the individual departments under their own responsibility and within the scope of their particular individual budgets. In other respects, the principle of direct, complete and sustained reciprocal financing applies throughout the entire area of politics.

- We will subject all subsidies – new and old – to continuous examination in accordance with the guidelines of subsidy policy.
- We want to strengthen the investment orientation of the federal budget.

Priority measures

The CDU, CSU and SPD coalition sets the following financial priorities for the current legislative period, which are not subject to funding restrictions:

- Local communities, towns and districts in Germany should continue to benefit from an easing of their financial burden. In any event, 2014 will see the last stage in the transfer of responsibility for basic social security provision in old age to the Federal Government, thus lightening the load on local authorities to the tune of €1.1 billion. Furthermore, with the passage of the Federal Participation Act, local authorities will be relieved of paying five billion annually for integration assistance. Even before the passage of the Federal Participation Act, we will make a start involving an annual reduction in the burden on local authorities of one billion euros annually.
- The federal states and local communities are facing major challenges when it comes to financing pre-schools, child day-care centers, schools and universities. In order to allow them to achieve these tasks more effectively, the federal states will be relieved of a burden amounting to six billion euros during the current legislative period. If the appropriated funds for child care are insufficient to meet growing need, they will be supplemented according to the forecast requirement.
- Furthermore, a total of five billion euros will be mobilised for the urgently required investments in the public transport infrastructure.
- We are providing a total of €600 million extra for urban development funding, in order to arrive at €700 million annually.
- We want to see Germany moving further along a financing path towards the "0.7 percent goal" of GDP spent on development cooperation funding (ODA ratio), and will thus provide two billion euros for this purpose during the legislative period.



- The federal pension insurance subsidy will increase by two billion euros during this legislative period compared to planning.
- The funds invested in integrating job seekers will be increased by 1.4 billion euros.
- The Federal Government will continue to finance extra-university research institutions, the University Pact, the Pact for Research and Innovation and the Excellence Initiative. In future, the Federal Government alone will finance growth in extra-university research. Three billion euros are available for this.
- Furthermore, the coalition agrees that if additional financial leeway arises for the Federal Government during this legislative period, one third will be used for supporting federal states' budgets.

Reliable taxation policy

Our community is dependent on reliable tax revenues. The social consensus required for this is based on a fair tax law that is focused on taxation according to the ability to pay, whilst also guaranteeing that no-one can evade his or her tax obligations at the expense of the general public. In its specifics, the tax law must do justice to the requirements and characteristics of our modern society in a globalised world. It must offer favourable general conditions for innovation and investment by companies in Germany, in order to retain and build on employment and prosperity. Tax law is not carved in stone. Whenever social or economic developments require it, tax law must be developed appropriately in order for it to achieve its objectives in the future as well. At present, Germany has a contemporary and competitive tax law overall. We want to develop tax law on a continuous basis in an ever-changing world, whilst nevertheless achieving a high level of planning security for taxpayers and for the public sector.

Simplification of taxation and tax enforcement

Simplification of taxation is an ongoing task. It is an important political objective to make gradual progress here, whilst in particular utilising the technical possibilities of modern data processing. All groups involved in taxation will benefit from this continuous process: taxpayers, public administration and the tax-advisory professions.

We will introduce a pre-completed tax declaration for everyone with tax liabilities up to the assessment period of 2017. With regard to pensioners who do not have additional income, the pre-completed tax declaration with data already entered by the financial authorities should be made possible starting from the 2015 assessment period.

We will build up the opportunity for citizens to communicate with the financial administration via electronic means, as well as largely dispense with the obligation to send documents on paper together with the tax declaration. In order to safeguard even tax collection, we will base the processing of tax declarations on risk-oriented parameters.

We want to strengthen the acceptance of the work-factor method for spouses. In future, the factor should no longer be defined annually, but for several years. The factor will only be changed further if income or income distribution changes to a non-inconsiderable extent. Furthermore, we call on the federal states to increase awareness of the work-factor method in tax category IV through suitable tax administration measures.

Also, we are striving to develop tax process law further towards a self-assessment process, starting with corporation tax.

We will strengthen the role of the German Federal Central Tax Office (BZSt) by providing the corresponding funding, whilst maintaining the competences of the federal states. The German Federal Central Tax Office will be developed into the central point of contact for the federal states' tax investigation offices in order to provide better support for tax investigations conducted by the federal states. In addition, the German Federal Central Tax Office should become the central point of contact for taxation questions and/or binding information for non-residents.

In order to improve the fight against tax evasion, social insurance fraud, undeclared and illegal employment, we will improve and increase the effectiveness of the legal framework in the law to combat undeclared employment and in the industrial code, as well as the staffing level and the information technology equipment for the financial control of undeclared employment.

The general conditions for strengthening IT-based risk analysis should also be improved with regard to the collection of duties in cross-border goods traffic, in order to



reduce the inconvenience for travellers and allow the controls to be carried out more efficiently and with better targeting.

We will concentrate the family benefits departments of the Federal Government in the Federal Employment Agency. We invite the federal states to cooperate in a centralisation within the context of their responsibilities.

We will push ahead with expanding the use of IT in taxation together with the federal states.

We will restrict use of so-called non-application decrees. The retroactive effect of tax laws should be restricted in the constitutional framework to safeguarding the tax base and preventing misuse of tax saving models.

Cooperation between local authorities should not be prevented in tax law. Consequently, we reject imposing a VAT burden on local-authority assistance payments and – to the extent necessary – we will advocate a comprehensive exemption for such payments from value added tax under EU law.

Through a fundamental reform of investment taxation, the Federal Government will once again return to the future taxation treatment of capital gains from diversified holdings with an open mind, and draw the necessary conclusions. In the areas of business angles and start-ups above all, solutions should be sought for particular burdening effects in the event that the investor disposes of his/her commitment.

Fighting tax evasion – restriction tax avoidance

We will take decisive measures to combat cross-border profit shifting by internationally operating companies as a central task in our taxation policy; we advocate comprehensive transparency between tax administrations and will proceed against harmful tax competition. We want to prevent companies achieving double non-taxation of income or double deductions of operating expenses.

We are expecting the work of the OECD-BEPS (Base Erosion and Profit Shifting) initiative to be completed in 2015; this is a project aimed at counteracting international tax avoidance, and we support it actively. We will take national measures if our goals within the OECD-BEPS-initiative cannot be achieved during this period. These include restricting operating expenses deductions for payments to letterbox companies which cannot

demonstrate sufficient active business activity, and creation of a public register of everyone economically involved in trust structures along the lines of the Money Laundering Act. We also want to ensure that the tax deduction of license expenditure corresponds to appropriate taxation of the license income in the receiving country. By anticipating this international regulation, we will play a pioneering legislative role in Germany if necessary.

Establishing better international transparency in tax issues towards financial administrations makes a significant contribution to fair tax competition and avoiding tax evasion. As a result, in accordance with the European regulation, we want to introduce country-specific reporting in the banking sector and in raw materials trading, especially regarding achieved profits, suffered losses and taxes paid (country-by-country-reporting) between the tax administrations of the various countries. Based on the decisions by the G20 heads of state and government as well as the G20 finance ministers, we are striving for a revision of the OECD model agreement on information exchange with the objective of automatic exchange of tax information as an international standard. Until that point, we will conclude further bilateral or multilateral agreements on automatic information exchange according to the model of the agreement between six EU member states. As a further step, we want to expand the area of application of the EU Savings Tax Directive to all capital income and all natural and legal persons.

We advocate better coordination of company tax law in the EU. The starting point for this is work on a common corporation tax assessment basis.

VAT fraud represents the most important form of tax evasion in fiscal terms. We want specifically to advocate the rapid response mechanism in order to prevent VAT fraud at an early stage: In doing so, we will take care that German VAT law does not become unnecessarily complicated. We will take further initiatives if necessary. The German Federal Central Tax Office will be the central point of contact for the financial administrations of the federal states in the event of fraudulent structures, irrespective of the sector.

The Federal Government will continue work on the national basis for negotiation for double taxation agreements (DBA). Double taxation agreements no longer simply serve to prevent double taxation, but also to prevent double non-taxation (so-called white income). Consequently, we will negotiate corresponding clauses in the



double taxation agreements, and in the meantime we will safeguard these principles in national regulations.

At international, European and national level, we will continue to take consistent measures against tax avoidance involving the use of offshore financial havens.

In the Reorganisation Tax Law, we will examine how stock swaps and reorganisations with financial contributions can cease to be structured without tax, which is contrary to the system. In the combination of a stock swap and supplementary payment, the quota of the supplementary payment should be restricted if necessary, without being entirely ruled out.

We will continue to take decisive measures against tax evasion. In light of the awaited report by the Standing Conference of Financial Ministers (FMK), we will continue to develop the regulations on voluntary declaration to avoid punishment, if the need for action is indicated. In future, one approach might be to make the effectiveness of the voluntary declaration dependent on complete information about the non-time-barred periods in tax law (ten years). In order to gain exemption from punishment for the last five years, the taxpayer would then have to correct, supplement or catch up the previous five years before that as well. Furthermore, in future, we want to introduce an entrance threshold in certain cross-border cases with regard to the assessment time-bar, if these are not declared correctly. If cross-border cases with tax relevance only come to light years later, the taxation can therefore still be imposed.

In the event of systematic infringements by banks against the tax law, supervisory sanctions up to and including withdrawal of licenses may be considered. The Federal Government will examine whether improving the flow of information from the Federal Financial Supervisory Authority (BaFin) to the financial authorities could allow tax evasion to be combatted more effectively.

Business tax, inheritance tax, property tax

Stable financial provision is of key importance to local self-administration. It is essential that local community tasks for the benefit of citizens are sufficiently financed.

The business tax is an important source of tax revenue for local authorities. We want to establish planning security for the coming years on the basis of the applicable law.

In its current configuration, inheritance tax allows the change of generations in companies and protects jobs. It remains an important source of income for the federal states.

The property tax will be modernised on a contemporary basis while retaining the municipal rate law. We call on the federal states to adopt a joint position rapidly on conclusion of the ongoing examination processes. The objective of the reform is to retain the property tax as a reliable source of local authority revenue, i.e. securing payments and establishing legal certainty.

European banking union

We require intelligent regulation of the financial markets, especially in the banking sector. In the future, banks will have to hold more funds themselves for crisis situations so that taxpayers are not again subjected to a burden such as in the past. Anyone who wants the freedom to generate high profits with risky transactions must also take responsibility for the risks. The rules of the game in the social market economy are undermined if the privatisation of profits is offset by socialisation of losses.

We need a functioning banking union consisting of a uniform banking supervision, uniform set of rules and uniform mechanism for banking functions. We advocate the rapid implementation of banking supervision, and in this regard we are in favour of a clear separation between supervisory and monetary policy at the ECB in order to avoid conflicts of interest. The special features of the German 3-pillar model with savings banks, mutual savings banks and private banks must be taken into account in the supervision. Whereas system-relevant banks are generally placed under direct ECB supervision, this does not apply to small and regional banks.

With regard to the restructuring and liquidation of banks, we advocate strict compliance with a clear liability cascade as well as consistent contributions from bank creditors (bail-in). In future, the owners and bank creditors must be the first to reach into their pockets, not taxpayers. Savers with deposits up to €100,000 will be protected.

We want to establish the European settlement mechanism on a secure legal basis so that banks can be handled in a timely, effective and efficient manner. With regard to the settlement mechanism, we want to achieve a rapid solution that offers adequate protection for the budget supremacy of member states. In view of this sit-



uation, we support the rapid establishment of a European settlement authority for system-relevant cross-border banks and a uniform European resolution fund with the prospect of complete financing through bank contributions, the level of which should be based on the system relevance, size and risk profile of banks.

If payments made by national funds before the European fund was established and the contribution of owners and creditors in total do not suffice to finance bank liquidations and restructuring measures, then the member state in question will bear responsibility. The coalition partners will advocate that national funds that might be used for a bank rescue should be excluded from the three percent deficit limit of the Stability and Growth Pact. If a member state is not itself capable of undertaking a bank rescue and would find itself in a dangerous economic situation then it may apply for ESM assistance in the existing process.

Once the establishment of a European settlement mechanism has been decided, and following a corresponding decision by the German legislature and operational takeover of supervision by the ECB, a new instrument for direct bank recapitalisation can be considered as an interim solution on the basis of existing ESM regulations with a maximum volume of €60 billion, and particularly with the corresponding conditionality, and as the last instrument of a liability cascade. In this case, it would be necessary for all other primary means to have been exhausted and an indirect ESM bank program with regard to the debt sustainability of the state ruled out. We reject the long-term acceptance of direct banking risks by taxpayers.

The security of savings deposits is an important element of stable financial markets. Harmonising requirements with national deposit protection systems in Europe whilst safeguarding national peculiarities (especially savings banks and mutual savings banks) is thus an important further element of the banking union. The German deposit protection systems proved themselves stable in the crisis. We reject communitisation of deposit protection at EU level.

Ability to act in the Federal Government, in federal states and municipalities

The federal system is one of democracy's strengths and an important reason why Germany has been able to

achieve what it has. In view of the challenges from globalisation and Europeanization, we must ensure time and time again that our federal system remains capable of acting. This includes the requirement that every tier – Federal Government, federal states and local authorities – can accomplish its tasks with a high level of self-responsibility.

Local authorities are a central component in our community. They undertake important tasks in public service provision and for the local infrastructure. Local authorities must be able to act in order to safeguard the communal self-administration that is guaranteed in the Basic Law. Healthy finances are also a prerequisite for this. The Federal Government has made a substantial contribution to this, including the complete refunding of net expenditure for basic social security provision for the elderly and in case of a reduction in earnings which will come into play as of 2014, as well as its financial contribution to expanding child care for the under 3s and continuation of disentanglement funding up to and including 2019 at the previous level. The local government tier has been experiencing financing surpluses since 2012. In spite of the overall positive impression, there is a significant degree of heterogeneity in the financial situation of local authorities.

We will promulgate a Federal Benefits Act for People with Disabilities (Federal Participation Act). When this law comes into force, the Federal Government will contribute to reducing the local authorities' burden in integration assistance. At the same time, we will regulate the reorganisation of how participation is shaped in favour of people with disabilities in such a way that no new expenditure dynamic is created.

Financial relations between the Federal Government and federal states must be reorganised by the end of 2019 at the latest. The fiscal equalisation scheme for federal states must be redefined by that date. From that time onwards, the federal states will no longer have structural deficits. The preparations for this must be made during this legislative period. Discussions are taking place between the Federal Government and federal states for this purpose.

In parallel to this, the coalition will set up a commission with representation from the Federal Government and federal states. Representatives of local authorities will also be included. The commission will deal with questions of federal financial relations, and work out suggestions for this. The commission should present results on



the following topics by the midpoint of the legislative period:

- European fiscal treaty
- Creation of conditions for consolidation and sustained compliance with the new debt rules in the federal states' budgets
- Distribution of income and expenditure, and self-responsibility of federal levels
- Reform of the fiscal equalisation method
- Historical debts, funding arrangements and interest burdens
- Future of the solidarity supplement.

4. SOCIAL COHESION

4.1. Strengthening cohesion and improving equality of opportunity Shaping population change

The CDU, CSU and SPD coalition regards the change in population as one of the major challenges facing the whole of society. It is a universal task.

Together with local authorities, federal states and social partners, we are shaping policy for all generations, whilst upholding social cohesion in our country. For this purpose, we are continuing to develop the demographic strategy of the Federal Government. With it, we are working out approaches for solutions on the various levels and with the various stakeholders, as well as arranging contributions from partners.

We are building bridges between the generations. At the same time, we want to bring the treasure trove of experience possessed by older people more effectively into play. For this purpose, we are promoting mixed-age teams in companies, amongst other things. We are encouraging company and collective-bargaining partners to anchor continuing education pacts in collective-bargaining contracts and company agreements to a greater extent. We want older employees to continue to find good opportunities for employment. For this purpose, we advocate greater health in the workplace.

The change in population has very different effects from region to region. In the new federal states, for example, it is already quite advanced. Via the demographics portal of the Federal Government and the federal states, we are providing access to measures that have proven effective there. We want to develop the readiness to respond to the change in population with flexible and intelligent approaches, for example also with the help of digital and mobile solutions to an increasing extent. Through a demographic competition, we are supporting the regions which have found effective responses to changes in the population structure.

We are setting up a testing process (Demographic Check) which involves examining parliamentary bills, guidelines and investments to see what effects they would have on coming generations. We regard family friendliness as a crucial guiding principle for legislation and executive action.

We want to create the conditions for good provision everywhere, as well as equivalent development in urban and rural areas. Like urban areas, rural areas have the right to expect good development opportunities. We will continue development of the "Rural Infrastructure Initiative" and work together with the federal states to produce concepts for areas with a weak infrastructure, which are particularly affected by demographic change. An important approach for good development in rural areas concerns improved cooperation between local authorities. We will continue to support this.

Demographic change leads to increased demand for highly qualified specialists in the health, caring and social sectors. We will start a specialist worker campaign as well as a broadly based program of upward reevaluation for these professions.

We want our country to be a pioneer in coping with demographic change and to develop into the leading market and provider of new products and services for the needs of older generations.

Strengthening the family

Another gauge for well-being and progress in our society is the degree to which people live, work and interact with one another. We want to promote interaction between everyone in our country, irrespective of their religious, political, ideological or sexual identity. We want to



support people wherever they take long-term responsibility for one another. In doing this, we base our approach on the triad of time for families, good infrastructure and material security. We want to give children and young people the same opportunities for growing up well. We promote equality. We will ensure that women and men can carry out their duties in the family, at work and in society in a spirit of partnership, and that existing gender-specific inequalities are eliminated – especially in the work world. To do this, we are developing a policy that takes account of current differences in curriculum vitae as well as providing responses to the challenges of life phases.

This policy will be successful if it takes a comprehensive approach to the question of demographics in our society. Families, old-age pensioners, women and men as well as children and young people must be integrated into a strategy for demographic development extending beyond this legislative period.

Combining family and career, raising children, caring, education

Child day-care: We want to make further progress with the quality of child day-care. The objective is to regulate questions of staffing, qualification and continuing education for specialists, the availability of specialist workers as well as language training. We want to extend full-day care in child day-care centers on a gradual basis. Following the successful introduction of language training by specialists in the federal programs focusing on language and integration in child day-care centers as a means of focusing on early-stage opportunities, we intend to integrate language training further into everyday educational activities.

The Federal Government and federal states will launch a third investment program for ongoing implementation of the legal requirement to a place in a day-care centre for children under 3.

We want to continue strengthening child day-care and its job description. To do this, the qualification of day-care workers and the general conditions for their activity should be improved further. In this way, child day-care will be integrated into the overall concept of high-quality care, child rearing and education.

We will play an even more active role in promoting the benefit of company child day-care provision. So as to provide a specific incentive for companies to establish

company child day-care groups, we will continue with the "Company child care" sponsorship program.

"Success Factor Family" and "Local Alliances for Family": Family friendliness must become a central business objective. In the form of the "Success Factor Family" business program, we are working with the leading associations of the German economy, unions and major foundations to advocate more and more companies recognising the benefit of family friendliness. Every two years, a committee of representatives of the social partners and the Federal Government operating under the charter of family-friendly working hours will prepare a report entitled "Family and the Work World", which will include recommendations. We support proven collaborations with local authorities as well as stakeholders from the world of business, unions and society in the context of the "Local Alliances for Family", and we are shaping the process.

Returning to work: We will support men and women returning to employment within the scope of social security insurance following family leave by continuing the program entitled "Perspektive Wiedereinstieg" (The Prospect of Returning to Work) and offering additional opportunities for further and continuing education. Child rearing should be given positive consideration in connection with hiring and promotions in the public sector. Women and men who take a career break to raise a family should not suffer any career disadvantages by doing so.

More time for families - strengthening a partnership approach

Working hours policy: Families need time for one another. As a result, we are campaigning strongly for a modern policy on working hours based on the life course approach which supports men and women in combining their career and family commitments. We want families to set the pace of life again: employers, care institutions, schools, public authorities, service providers and transport companies should take greater account of the time requirements of families and coordinate their opening and contact hours with one another. A working hours policy significantly encourages freedom of choice and families living together in a spirit of partnership.

Parental leave: We will make the 36 months of parental leave more flexible. To this end, mothers and fathers should be entitled to take 24 rather than 12 months off in future between the 3rd and 8th years of life of their



child, subject to appropriate prior notification, even without the employer's approval.

Parental benefit: We will ensure that the needs of parents are better met through more flexible parental benefit regulations. The "ElterngeldPlus" (parental benefit plus) is to be introduced as a further development of parental benefits. With "ElterngeldPlus", we intend to allow parents to make the best possible use of their parental benefits for a period of up to 28 months in combination with a significant part-time activity, thereby facilitating a return to work, especially for single parents. We will terminate double claims in conjunction with this.

Together with the "ElterngeldPlus", we will introduce a partnership bonus, e.g. amounting to ten per cent of the parental benefit. This will go to all parental benefit recipients who both work for between 25 and 30 hours per week in parallel.

Household-related services intended to support families: We will establish a service platform to allow people to easily find legal, commercial providers of family-supporting household-related services for families and older people so that they can utilise their services.

Active fathers: A contemporary family and equal opportunities policy also includes boys and men. We also want to strengthen further the role of the active father in child rearing and the family. It is necessary to establish better general conditions for fathers and mothers to divide family and work tasks between one another in a spirit of partnership, allowing men to experience a committed fatherhood.

Financial situation of single parents and divorced people: The amount of tax relief for single parents has remained unchanged at €1,308 since it was introduced on 1 January 2004, and it should be raised. In future, the level of the relief should be staggered according to the number of children.

Child policy

Child and youth welfare: Child and youth welfare should be developed further on a sound and empirical basis within a carefully structured process in order to create an inclusive and efficient welfare system that is sustainable and resilient in the long term. This includes suitable financing models for systematic forms of support (e.g. at the interfaces between Social Security Codes SGB VIII, SGB XII, and bodies funding schools). We need strong

youth welfare offices and a functioning partnership with non-governmental youth welfare organisations. We will therefore significantly improve the control instruments of youth welfare offices, at the same time as guaranteeing the rights of children and their families; we will also monitor outreach-oriented and preventative approaches. For this purpose, we want to enter into a substantive dialogue with federal states, local authorities and associations, in order to reach an agreement on the further development in important activity areas of child and youth welfare.

Rights of children: Protecting children against violence and neglect, and the further development of the realisation of the rights of children (implementation of the UN Convention on the Rights of the Child) is a central concern of this coalition. We will examine each political measure and each law to see if it is in accordance with internationally agreed rights of children.

Adoption: We want to develop the adoption process further, modernise the law on adoption placement (AdVer-miG) and strengthen the structures for arranging adoptions. The interests of the child must always take center stage. We want to simplify the possibilities for adoption, as well as improving the backing and ongoing support for adoptive parents. We will advocate the longer life expectancy of people as well as the tendency towards starting a family later to be taken into account in adoption law, and we want it to be possible for the link to birth parents to be maintained in the case of adoptions of stepchildren with the agreement of all concerned.

We reject surrogacy, because it is irreconcilable with human dignity. We will establish legal regulations for the right of the child to know his or her origin if conceived by sperm donation.

Federal Child Protection Act/Federal Early Assistance Initiative: Child protection has been comprehensively improved on the basis of the Federal Child Protection Act, and we want to continue developing it further. For this purpose, we will use the insights gained during evaluation of the Federal Child Protection Act and the existing Federal Early Assistance Initiative to put measures into place in all areas of child protection. We will also use these insights to inform the establishment, design and further implementation of the fund for long-term safeguarding of the Early Assistance networks and psychosocial support for families, which has already been provided by law. We will also further improve the prerequisites



for child and youth welfare to cooperate more closely with the health system.

We will set up studies to investigate the quality standards for the selection and suitability of people involved in the process and family carers in family matters. We want to conduct an academic inquiry into the correlation between protection against violence and the right of access with regard to child welfare.

(Sexual) violence against children, systems of rules, future: We want to provide better protection to children and young people as well as people with disabilities against violence, especially of a sexual nature. We will push ahead with implementing the concluding report "Sexual abuse of children in relationships of dependency and power in private and public institutions and in the family sphere" during this legislative period. Help for victims must be provided increasingly through the systems of rules.

In particular in the interests of under-age victims, we will ensure that sexual crimes will be time-barred significantly later, because many victims can often only speak about the events and take action against the perpetrators years or even decades later. The limitation period in the case of sexual violence against children and young people should in future not expire before the victim of abuse has reached 30. We expressly state that a sexual assault effectively contrary to the will of a victim with a disability or who is otherwise unable to offer resistance must be regarded as a particularly serious case of sexual abuse of people who are unable to defend themselves. In order to guarantee comprehensive protection for children and young people against sexual assaults, we intend to extend the offence of sexual abuse of wards in Article 174 of the Criminal Code (StGB).

The post of the Independent Representative for Questions of Sexual Violence against Children and Young People will be secured. At the same time, we will involve those affected and ensure that past events are independently dealt with. The existing assistance fund for victims in the family sphere will be developed further in coordination with the churches, federal states, associations and institutions within the scope of their responsibility, becoming a fund for victims in the family and institutional spheres. For this purpose, a working group will be established which is to report back by mid-2014 with a proposal for implementing the existing, extended help system.

We will ensure the financial capability of the fund to support people who were in care homes in the former GDR.

Policy towards girls and boys: Nowadays, girls and boys are confronted by different, often contradictory role models. They need to adjust to new requirements. Gender-specific work with girls and boys should be developed further, and role stereotypes should be countered. A contemporary equal opportunities policy includes boys and men. Work with boys should not be expanded to the detriment of work with girls.

Independent youth policy: Youth is an independent phase of life. We regard youth policy as a central policy area, which is predominantly shaped locally by federal states and local authorities. In order to achieve our youth policy goals, we need a strong alliance for youth with a new, interdepartmental youth policy that addresses the concerns of all young people. Together with young people and their youth associations, we will develop the concept of an independent youth policy further. We want to provide space for young people, open opportunities for them and offer them support. Together with the youth associations, we will develop a "Youth Check" in order to examine measures with regard to their compatibility with the interests of the young generation.

European and international youth work: We want to strengthen the international youth and schoolchildren exchange program with its youth associations and exchange organisations for all young people, and especially encourage those who had previously been under-represented. With regard to the configuration of the youth chapter of the EU "Erasmus+" programme, we also want to include non-school-based stakeholders involved in youth work, and especially informal education. We want to strengthen structured dialogue within the framework of the EU youth strategy.

Promoting youth social work, training, equality of opportunity: We want to provide all young people in Germany with access to training that is appropriate for their abilities and interests. Youth social work plays an important role in the participation and integration of all young people. By experimenting with pilot schemes, we will continue to support the federal states and local authorities in ensuring that young people receive one-to-one socio-educational advice and support at the transition from school to work (2nd chance, skills agencies).



Together with the business sector, social partners and civil society, we will improve the access routes to vocational training for groups who have previously been disadvantaged.

We want to examine the extensive sanctioning regulations and practise in the 2nd Social Security Code (SGB II) for under 25s with regard to their effectiveness and possible need for modification, as well as further reducing loopholes between youth assistance and other assistance systems.

Work of youth associations: We support the self-organisation of young people in youth associations. They are essential for a lively democracy. We will strengthen the infrastructure of child and youth work as well as the work of youth organisations, together with political and cultural education at national level, whilst also not losing sight of the special requirements of young people with a background of migration. The Federal Government's Child and Youth Plan (KJP) is the central instrument for ensuring a nationally centered infrastructure of youth associations.

Family recreation: We want to recognise family recreation offers as an important part of child and youth welfare, making them attractive and putting them on a secure basis for the future, as well as developing binding quality standards and indicating approaches for the further development of family recreation.

Maternity Protection Act: Work is underway on a reform to the Maternity Protection Act. Our objective is to achieve comprehensive protection, greater transparency and less bureaucracy. For this purpose, it will be necessary to adapt the regulations relating to maternity protection in light of the latest insights on risks to pregnant women and nursing mothers in the workplace.

By working together, we want to find solutions to protect the supplementary financial assistance from the Federal Mother and Child Foundation in the bank accounts of those women receiving the assistance, in order that the funding can have its intended effect.

Ensuring equality

Federal Government Anti-Discrimination Office

The Anti-Discrimination Office (ADS) of the Federal Government makes an important contribution to equality of participation by all people in our country. We will implement the results of the evaluation by the Anti-Discrimination Office.

Women's quota/equal opportunities in gainful activity

Women in positions of leadership: We want to increase the proportion of female managers in Germany. As a result, at the start of the 18th electoral period of the German Bundestag, we will introduce gender quotas for boards of management and supervisory boards of companies by legislation.

Supervisory boards of exchange-quoted companies subject to full co-determination which are reappointed from 2016 onwards should have a gender quota of at least 30 percent.

We will produce a regulation requiring the chairs intended for the under-represented gender to remain vacant if this quota is not achieved.

From 2015 onwards we will set legally binding targets for exchange-quoted companies subject to co-determination to increase the proportion of women on their supervisory board, board of management and the highest management echelons; the companies will be obliged to publish and report transparently on their situation. The first targets must be achieved within the 18th electoral period of the German Bundestag, and they are not allowed to be corrected downwards subsequently.

Furthermore, we will take measures applicable to private business with the objective of promoting women in all company hierarchies.

In the area in which the Federal Government can exert influence, the coalition will push ahead with a targeted equal opportunities policy in order to increase the proportion of women in managerial positions and committees, while reducing pay inequality. For this purpose, we are developing an equal opportunities index and introducing proactive implementation of the Federal Equal Opportunities Act (BGleIG) and the Federal Committee Appointments Act (BGremBG) for the federal administration.



We also want to achieve a proportion of at least 30 per cent for scientific management committees. As a general rule, we want to sustainably increase the proportion of women in the academic system by means of target quotas based on the cascade model.

Equality of remuneration

The coalition partners are in agreement that the existing pay differential between men and women is unacceptable.

Together with the collective bargaining partners, we want to move ahead with defining the value of occupational areas, job evaluations and the evaluation of capabilities, skills and experience.

The objectives must include to further uprate work in the care sector, support provision and early-age education.

In order to better realise the principle of "equal pay for equal or equivalent work", we want to establish greater transparency by, amongst other methods, obliging companies with more than 500 employees to make a statement about promotion of women and equality of remuneration under legal criteria in the management report according to the Commercial Code (HGB). Based on this, an individual right to information for employees will be defined.

Companies will be called upon to take responsibility for eliminating identified remuneration discrimination with the help of binding processes and by working together with their workforce, with the involvement of stakeholders in the company.

We want to start an initiative together with the collective bargaining partners in order to recognise the patterns of structural remuneration inequality in collective bargaining agreements and overcome them.

Gender equality in career choice: The career and university course choices made by young women and men are characterised by traditional role models. Career and university advice as well as career orientation at school are of great importance. Particularly in view of the lack of specialists in jobs with requirements for mathematical, scientific and technical skills as well as in the social, education and health professions, we want to see gender-equitable career advice. It must offer information about all career and earnings opportunities for girls and boys on principle.

Women's movement

We want to push ahead with the academic reappraisal of the German women's movement, with particular attention to the women's movement in the GDR and the period of upheaval in 1989/90, by securing the existing materials including the women's archives in a "Digital German Women's Archive" and making it accessible to the public.

We will continue to fund the Helene-Weber Prize and the Helene-Weber College in order to achieve greater representation of women in politics and on bodies that take political decisions, as well as making it easier for women to enter the world of politics in general.

Violence against women, women's shelters: We will make consistent efforts to combat violence against women and children, while guaranteeing protection and assistance for all those affected. The women's helpline is an important point of contact for affected women. We will combine interdepartmental measures for combatting violence against children and women, and close gaps in the help system.

Human trafficking and places of prostitution: We want to offer women better protection against human trafficking and forced prostitution, with more consistent punishments meted out to the perpetrators. In future, convictions should no longer fail because the victim fails to make a statement. With regard to the victims, we will improve the right of residence, taking account of the contribution they have made to the investigation, their involvement in the criminal proceedings as well as their personal situation, as well as guaranteeing intensive support, care and counselling. Furthermore, we will extensively revise legislation on prostitution with regard to the regulation of prostitution and improve regulatory monitoring possibilities under the law. We will take action not only against the human traffickers, but also against those who knowingly and wilfully exploit the predicament in which the victims of human trafficking and forced prostitution find themselves and abuse them for sexual acts. We will focus more on the exploitation of labour in the struggle against human trafficking.



Self-determination in the ageing process

Using the potential of old age

We want to increase readiness and reduce institutional barriers so that older people are not excluded, but can make a better contribution to society through their actions and skills. For this purpose, we will examine age limits and change them if necessary.

We honour the treasure of experience that older people have to offer. Many of them engage in voluntary work in society. Within the framework of the demographic strategy, we will: actively combat age discrimination; take preventative measures to guarantee that as many older people as possible can continue to play an active role in social life for as long as possible; strengthen self-help work; take a particular look at the situation of older employees as well as strengthen the senior citizens' sector in cooperation with business and associations, and develop age-appropriate consumer protection.

Multi-generation houses

We will further develop the successful concept of multi-generation houses and consolidate their financing. While keeping their individual characteristics, they should develop into an overarching umbrella and point of stability for social interchange and local participation, including for example the involvement of care support points, and act as Caring Communities. Consequently, we will create the prerequisites for securing a long-lasting future for multi-generation houses and, together with the federal states and local authorities, we will examine under what conditions multi-generation houses can be established in all municipalities as far as possible.

Care and joint responsibility in the municipality

With regard to the topic of "Care and joint responsibility in the municipality - Establishing and safeguarding communities with a future", a commission of experts with broad participation by associations and the German public will draw up the seventh report on the situation of the elderly by spring 2015.

Respecting sexual identity

Civil partnerships, rainbow families

We know that people living in same-sex partnerships live according to values that are fundamental to our society.

We will take measures to eliminate existing discrimination against same-sex couples and against people on the basis of their sexual orientation in all areas of society. We will eliminate legal regulations that disadvantage same-sex couples. With regard to adoptions, we will rapidly implement the judgement by the Federal Constitutional Court on successive adoption.

We will continue to fund the work of the "Federal Foundation Magnus Hirschfeld".

We condemn homophobia and transphobia, and we will take decisive measures to combat them.

We will extend the "National Action Plan of the Federal Republic of Germany to Combat Racism, Xenophobia, Anti-Semitism and Related Intolerance" to include the topics of homophobia and transphobia.

We will evaluate the improvements achieved through the modification of the civil status law for intersex people and expand them if necessary by taking a closer look at the special situation of transsexual and intersex people.

Shaping integration and inward migration

Germany is a cosmopolitan country. We regard inward migration as an opportunity, without overlooking the associated challenges. We have achieved significant progress over recent years with regard to participation by immigrants and the cohesion of our society. Migrants make an important contribution to the prosperity and cultural diversity of our country. Integration policy will continue to be guided by the principles of providing support and making requirements. We expect that integration opportunities will be taken up. However, integration is a process which demands something from everyone. It is a task for the whole of society. It goes without saying that the values of the Basic Law apply to everyone.

In future, children born to foreign parents in Germany and raised there will no longer be forced to choose their



nationality, and multiple nationality will be accepted. The existing Law of Nationality will apply in other respects.

Integration policy is based on the jointly drawn up National Integration Action Plan. Integration policy is also education policy. This must be reflected in the funding that is available for it.

Reinforcing a welcoming culture and a culture of recognition

We will reinforce a welcoming culture and a culture of recognition in our country. This promotes social cohesion and, at the same time, increases the attractiveness of our country for foreign specialists, whom we need.

Immigration authorities play a key role in fomenting a welcoming culture. Consequently, many immigration authorities have started to concentrate more on the service character for migrants. We welcome this development and we want to strengthen it further together with the federal states; we will provide specific support to local authorities in the form of a consulting package and training offers.

Every new immigrant should be given the opportunity of an initial consultation meeting on the options available with respect to integration. Integration and advisory offerings should be better coordinated and networked with one another. This also applies to the youth migration services (JMD) and the Migration Advice for Adult Immigrants (MBE), which we want to more closely dovetail. The binding nature of the advice given will be guaranteed by integration agreements. We will continue the "Boosting Resources" initiative for mothers with a migration background.

A welcoming culture and a culture of recognition includes the intercultural opening-up of state and society. We advocate this in all areas of life, particularly in the voluntary sector (e.g. fire service, rescue services) and in culture, sports and the health/care sector.

We regard diversity as an opportunity, and we will thus further strengthen the charter of diversity as well as the diversity concept in the business sector and jointly with the business sector. We are opposed to any form of discrimination.

In federal authorities, we want to continue the approach taken in the National Integration Action Plan and increase participation by people with a migration back-

ground in the public sector. We will concentrate on recruiting young migrants for training in the public sector. From 2014 onwards, we will increase the proportion of migrants in federal ministries and divisional authorities on a voluntary basis, applying uniform standards.

The reappraisal of right-wing terrorist crimes committed by the so-called NSU has shown that intercultural competence must be increased in training within the public sector, especially in the security authorities. We will more firmly establish the objective of achieving an absence of discrimination in training and further education within the scope of responsibility of the Federal Government and examine its implementation in practise on a continuous basis.

Migrants' organisations play an important bridging function. As partners in promoting integration, we will further strengthen expert organisations acting nationwide, including by training knowledge multipliers and providing financial support for the building of structures.

We recognise that there have been improvements in the media, especially with regard to the presence of people with a migration background. Discussions with the media about its intercultural openness must, however, be intensified further. Through mentoring programs, for example, we encourage more young migrants to join the ranks of the media professions.

We want to reach out more effectively to parents of children with a migration background. For this purpose, we will launch a federal program of "Empowering Parents", by means of which parents with a migration background are to be directly involved in the work of child day-care centers and schools.

Learning the German language is a central prerequisite for successful integration. We will expand the opportunities for learning the German language. We will take specific measures to further promote early-stage learning of the German language, and we support the measures for evaluating language skills diagnostics and support measures as well as joint standards with the objective of allowing all children to receive individual support.

We advocate an expansion and opening-up of vocational language courses for new target groups.

The integration courses have proven effective. We want to improve their quality further (differentiation by target group, course sizes and appropriate remuneration for



the teaching personnel). We will continue to guarantee the participation of EU citizens. The business community should also be involved in this, and must fulfil its responsibility.

We will contribute to further improvements in interaction between migrants and German-born citizens. In doing this, we want to make better use of the opportunities provided by mentoring programs (education and family sponsoring schemes). We will push ahead with opening up the voluntary services on an intercultural basis.

Strengthening pre-integration of new immigrants

The mistakes of the past must not be repeated in integration policy. Inward migration and integration must go hand in hand right from the start. With regard to new immigrants, we therefore want to strengthen pre-integration measures back in their country of origin, as well as advisory offerings following entry.

This includes new information offerings, especially regarding language learning, recognition of professional qualifications, our education and health systems as well as opportunities for staying in Germany in order to take up work and pursue study. Existing offerings must be improved and networked together. We want to achieve faster access to integration measures, for example to the integration course.

Poverty migration within the EU - retaining acceptance for the right of mobility

We want to retain acceptance for the right of mobility within the EU. As a result, we will take action against the unjustified claiming of social benefits by EU citizens.

In order to improve living conditions in the countries of origin, we will advocate that EU funding should be claimed by the countries of origin and applied in a targeted manner. We will offer administrative support for this purpose. Within the EU, we will advocate that the countries of origin issue the European health insurance card (EHIC) to every national without discrimination within the framework of European legal regulations. We want to make changes to national law and within the scope of European legal provisions in order to reduce the extent to which social security systems create incentives for migration. What this requires is a consistent administrative process, combatting bogus self-employment and undeclared employment, improved cooperation between customs and authorities on the ground, better exchange

of data between authorities, allowing time-limited re-entry restrictions as well as providing outreach advice. Whilst taking account of case law from the European Court of Justice, eligibility rules and exclusions from benefits in the basic social security provision for job seekers are to be made more specific.

In individual urban municipalities, poverty migration is leading to significant social difficulties with regard to integration, securing a livelihood, accommodation and health care. We recognise the burden placed on local authorities in coping with their tasks. Local authorities that are particularly affected by poverty migration should promptly receive the opportunity to make greater use than before of existing funding programs by the Federal Government (e.g. Social City), some of which are in need of further development.

Protection of refugees and humanitarian questions

To open up prospects for people whose residence in Germany has been tolerated for a long time and who have sustainably integrated themselves into the local living conditions, we intend to introduce a new regulation into the Residence Act which is not dependent on age or a key date. BR Drs. 505/12 (B) dated 22 March 2013 should be the basis for this. Fundamentally, issue of a corresponding residence permit must be predicated on having largely adequate means of subsistence. Furthermore, the requirements for issuing a residence permit to young people and adolescents (Article 25a of the Residence Act (AufenthG)) will be simplified in order to take account of the particular ability of this specific group to integrate.

In view of the significant rise in the number of asylum seekers arriving, we advocate particular emphasis being placed on shortening the processing time of the asylum process - which is also in the interests of the refugees. The length of time taken by the process until the first decision should not exceed three months. In the interests of an effective right of asylum, it is also necessary to quickly establish clarity about who is not entitled to claim protection.

We will provide the Federal Office for Migration and Refugees with adequate personnel so that the asylum process will be carried out rapidly and in accordance with the rule of law, in view of the rising number of asylum applications.



We want to classify the western Balkan states of Bosnia and Herzegovina, FYR Macedonia and Serbia as safe countries of origin in accordance with Article 29a of the Asylum Process Law in order to allow asylum applications from nationals from these countries with no prospect of acceptance to be processed more rapidly, and for their stay in Germany to be ended more quickly. At the same time, we want to advocate that the governments of these countries and the EU Commission should take rapid and sustainable steps to improve the local living situation.

Countries on the external borders of the EU are confronted by large numbers of refugees. With regard to EU refugee policy, we call for greater solidarity amongst EU Member States.

At the same time we advocate the consistent application of human rights and humanitarian standards in border protection measures coordinated by FRONTEX as well as in cooperation with non-EU states. The principle of non-refoulement and the obligation to save lives at sea must be comprehensively complied with.

The process referred to as "resettlement", in which refugees from abroad with a particular requirement for protection are accepted, should be continued and consolidated in cooperation with the United Nations High Commission for Refugees (UNHCR), and significantly expanded in quantity by 2015 at the latest in consultation with the Standing Conference of Interior Ministers (SCIM). We will facilitate the ability of refugees granted resettlement to be joined by their families.

We will establish a coordinated strategy for the consistent return of people who do not require protection. In view of the global increase in mobility and migration, migration issues should be more firmly and more specifically anchored in development-policy cooperation with non-EU states, with the objective of better controlling inward migration and combatting the causes of involuntary migration and seeking refuge. This should produce a better fit between migration, foreign and development policies, including the area of promoting return and establishing identity. The readiness of countries of origin and transit to cooperate better in combatting illegal migration, controlling legal migration and protecting refugees should be initiated or reinforced. This requires a "Strategy for Migration and Development" to be drawn up.

There is a need for deportation law to be developed further with regard to perpetrators of serious crimes and to extremists who are prepared to use violence, as well as developing further the regulations on implementing residence terminations bearing in mind practicality and compliance with European legislation.

Limiting movement (referred to as mandatory residence) of asylum seekers and tolerated persons will be expanded to the federal state in question. This will not affect agreements reached between the federal states with regard to general cross-state freedom of movement. Temporarily leaving the federal state for up to one week following unilateral notification specifying the destination point is possible. A movement restriction during residence can be imposed on perpetrators of crimes and people who are known to have infringed the law on intoxicating substances, or those who are facing specific measures to terminate their residence. With regard to study, pursuing a job and taking part in training, there is generally an entitlement to release from the movement restriction and the imposed place of residence.

The UN Convention on the Rights of the Child is the basis for dealing with minors who come to Germany unaccompanied as refugees. We will raise the age of legal capacity to 18 years in the legislation on asylum procedure and residence, thereby laying down the priority of youth assistance law for unaccompanied, underage refugees.

Asylum seekers and tolerated persons will be allowed access to the labour market after three months. Asylum seekers and tolerated persons will be given the opportunity to learn the language at an early stage in cooperation with the federal states.

We will rapidly implement the instructions of the Federal Constitutional Court regarding the Asylum Seekers' Benefits Act.

People with and without disabilities

"Nothing about us without us"

The guiding principle of the new Federal Government's policy for people with disabilities is that of the inclusive society. People with and without disabilities should play, learn, live, work and reside together. It should be regarded as a matter of course for people with disabilities



to be included in all areas of life - right from the beginning. People with disabilities are experts in their own case, so we want to pay particular attention to involving them in decision-making processes - according to the motto "Nothing about us without us".

Implementing the UN Disability Rights Convention

On the path to an inclusive society, the UN Disability Rights Convention (UN DRC) must be taken into account in political decisions affecting people with disabilities. We will develop the National Action Plan further together with people with disabilities and their organisations. Important milestones are greater participation, self-determination and access for people with disabilities in everyday life. Easier access for people with disabilities to means of transport, information and communication as well as institutions and services is essential. We will take particular account of the living situation of deaf-and-blind people in this regard.

Strengthening the inclusive labour market

An active labour market policy is a central element of social inclusion. We want to monitor the integration of people with disabilities into the general labour market, thereby sustainably improving the employment situation. This also includes recognition and strengthening of the voluntary work done by representative organisations for people with severe disabilities. The job centers must have adequately qualified personnel available in order to recognise the concerns of people with disabilities, offer them proficient advice and guide them towards jobs. Employers' awareness should be raised so that they will recognise the potential of people with disabilities and employ them. Together with social partners and, amongst other things, within the inclusion initiative for training and employment, we will increase the efforts made to integrate people with disabilities in the work world. We want to facilitate the transition between workshops for people with disabilities and the first job market, guarantee rights of return and include past experience with the "Budget for Work".

Reforming integration assistance - developing modern participation law

The joint efforts towards greater inclusion made by the Federal Government, federal states and local authorities must be placed within a secure legal framework. As a result, we will draw up a federal benefits act for people with disabilities, taking account of the financial relation-

ships between the Federal Government and federal states. We will examine introduction of a federal participation benefit at the same time.

It is our intention that people who, because of a significant disability, are only able to participate in the life of the community to a restricted extent should be helped out of the former "care system" and for integration assistance to be developed further into a modern participation law. The benefits should be based on personal need and determined on a person-by-person basis according to a standard nationwide process. Benefits should no longer be provided on an institution-centered but person-focused basis. We will take account of the right of people with disabilities to express their wishes and make appropriate choices in accordance with the UN disability rights convention. Right from the start and continuously thereafter, people with disabilities and their associations will be involved in the legislative process.

In the interests of children with disabilities and their parents, the interfaces within the benefit systems should be overcome so that benefits will flow from a single source if possible.

Internet access for people with disabilities

Digitalisation offers a variety of opportunities for people with restrictions. Consequently, we are examining whether an "Accessible website" certificate for administration and business will allow support for the equal opportunities of people with disabilities.

Civic engagement and voluntary services

Civic engagement

Our community depends on civil society and the commitment of its citizens. We want to continue promoting their opportunities for becoming involved. In Germany, people of all age groups get involved in all kinds of areas: They are involved with the fire service and in civil protection, in unions and social associations, sports clubs, church communities and both national and international aid organisations, in neighbourhood initiatives and self-help groups, in education and cultural organisations. Civil society and the commitment displayed by citizens keep our community together and are essential for bringing it to life.



We want to improve the context within which people engage in voluntary work. We will take a closer look at the experience derived from civic engagement and the ideas that emerge there. We want to see greater recognition for the commitment displayed by all generations and for voluntary work. One gesture of recognition is the German Engagement Award. We support and promote the work of charitable associations. Social innovations by social companies are also worthy of support.

We want to make it easier to establish entrepreneurial initiatives based on civic engagement (e.g. village shops, child day-care centers, age-appropriate accommodation, energy projects). A suitable form of company incorporation should be available in cooperative legislation or the law of bodies corporate for such initiatives, as a means of avoiding inappropriate complexity and bureaucracy.

National Voluntary Service and youth voluntary services

Voluntary services are a special form of civic engagement and educational services. They have proven themselves in their diversity and we want to develop them further whilst retaining their high level of quality, extending their civil-society responsibility.

The success of the National Voluntary Service shows that all age groups can and want to provide voluntary service. We want to continue to shape this service so that it promotes intergenerational approaches and provides differentiated educational opportunities. We want to build on the success of the National Voluntary Service and youth voluntary services and motivate people to become involved in civic engagement in the long term.

Together with federal states, universities, local authorities and private companies as well as other stakeholders, we will expand the culture of recognition for volunteers. By issuing a standard voluntary service ID card for all volunteers, we will improve the situation with regard to concessions. We will glean the results of the current academic evaluation in further developments in this area. Also, we will support the providers' programs, above all if they have as their objective the acquisition of additional formal qualifications. In order to reinforce the culture of recognition, we will develop an overall concept of voluntary commitment which includes an enhanced voluntary service in the Bundeswehr (Federal Armed Forces) alongside the National Voluntary Service and youth voluntary services.

Voluntary services by young Germans abroad and by foreigners who come to Germany will be tailored even more accurately to the interests and needs of the volunteers, combining responsibility for all regulated foreign voluntary services within the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth.

In view of the educational and orientational character of voluntary services, they are exempt from VAT.

Churches and religious communities

We will conduct an intensive dialogue with the Christian churches, religious communities and religious associations, as well as the independent ideological communities. They enrich the life of society and communicate values that contribute to the cohesion of our society. We are committed to respecting all religious convictions. On the basis of the Christian character of our country, we advocate living together in social interaction in acceptance of equal rights and diversity.

The Christian churches and their welfare associations are essential features of many areas of our society, not least in the education, health and social spheres, as well as in care, support and counselling for people, and in culture. Numerous services by church institutions for citizens are only possible because the churches provide significant amounts of funding themselves, and church members carry out voluntary work. As a result, we will maintain the system of church taxes in order to give the churches a secure basis for planning. That is the only way to enable them to continue to provide the self-financed services for the benefit of the citizens of our country. At the same time, we want to support the services provided by churches further. In doing so, we will take account of the church-related character of the institutions in question.

To commemorate the 500th anniversary of the Reformation in 2017, which is a significant event far beyond the boundaries of Germany and Europe, the Federal Government will also make an appropriate contribution.

We view with appreciation the burgeoning life of the Jewish community in our country. We support local Jewish communities and Jewish welfare work, for example in integrating immigrants and both establishing and extending educational and cultural institutions.



The wide range of contributions to our community made by Muslim associations and groups - such as in integrating Muslim immigrants and their descendants into our society as well as promoting dialogue between cultures and religions - are deserving of our appreciation and support. Accordingly, we want to continue the German Islam Conference.

Within the constitutional framework, an open society offers all religions the freedom to develop their faith.

The church constitutional law in our country has proven its value and provides a suitable basis for religious communities to cooperate in a spirit of partnership.

Emigrants, expellees and national minorities

We will keep the chastening memory of flight and expulsion alive through a commemoration day, we continue to espouse the opportunities for expellees to have a legal right of refuge in Germany, and we will continue our assistance to German minorities in the emigrants' areas of origin. We are committed to the agreements made regarding European minorities' policy and we remain committed to provide financial support to the four national minorities in Germany - Danes, Sorbs, Friesians as well as German Sinti and Roma - and the German minority in Denmark as well as German minorities in Eastern and South-Eastern Europe and the successor states to the Soviet Union.

It is important to maintain the Sorbian language and culture as an expression of the Sorbian people's identity. As a result, we want to safeguard the work of the Foundation for the Sorbian People in the long term, and secure the respective federal subsidy.

4.2. QUALITY OF LIFE IN THE CITY AND THE COUNTRY

Good, affordable housing

Alliance for housing

Good quality of housing and a good quality of life for people in Germany are important objectives of our policy. It is necessary to respond to the continuing growth in demand for housing in conurbations and many cities

and university towns, the need for reorganisation of the energy system as well as demographic and social challenges. To this end, we are relying on a three-pronged approach to housing policy, involving strengthening investment activity, reinvigorating social housing construction and accompanying these with a balanced approach to tenancy law and social policy. We will combine all these measures within a program of action for invigorating housing construction and energy refurbishment for buildings. To achieve this, we are striving to form an alliance with the federal states, local authorities and all relevant stakeholders in society. We will expand dialogue with the real estate market.

Strengthening housing construction

The home ownership savings bonus and the employee savings bonus will be retained. We will improve the general conditions for housing associations and examine how the purchase of cooperative shares, requiring new construction in return, can be encouraged more effectively.

We will continue the initiative for creating additional student accommodation.

Property policy

Former military real estate in public ownership that is surplus to requirements can make an important contribution to providing additional land for housing. The federal institute for real estate (BmlA) will continue to support local authorities in this. Thus, concessionary sales of properties will be implemented in view of the many local authority projects aimed at promoting public welfare, such as creating affordable housing and vibrant cities. Consequently, measures can be taken in the budget to dispose of former military real estate at concessionary prices. The overall volume is limited to a maximum of €100 million over the next four years. Furthermore, in future local authorities should also be able to make increasing use of the instrument of the Besserungsschein (agreement to repay the waived loans with future profits) in dealings with the BmlA in order to accelerate sales processes.

Social housing construction/housing benefit

We advocate a reinvigoration of social housing construction. We will support the federal states responsible for this with €518 million annually up to the end of 2019. At the same time, we expect the federal states to earmark



these funds for the construction of new social housing, new social obligations as well as socially compatible refurbishment of existing building stock, and to additionally support these projects with their own funds - documented in a detailed reporting system to the Federal Government.

As a means of providing direct assistance to people on lower incomes and allowing them to live in good accommodation, we want to improve housing benefit payments further by adjusting the benefit level and maximum rents to the development in existing rents and incomes.

Affordable rents

To ensure that accommodation remains affordable in spite of increased demand for housing especially in cities, we will give the federal states the authority to restrict the flexibility for rent increases for new tenants to a maximum of 10 percent above the comparative rent usually charged locally in areas where there is demonstrably a significant demand for accommodation; this will apply for a period of 5 years. This will not apply to initial lettings of newly constructed accommodation or to new lettings following extensive modernisation. The possible re-letting rent must be allowed to match the previous rental amount at least. The definition of these areas by the federal states should be linked to the drafting of a plan of action for rectifying the lack of accommodation in those areas. The existing regulation on limiting increases in existing rents to 15 percent up to the comparative rent that is usual for the area (referred to as the rental cap) will be retained in areas indicated by the federal states during a period of three years.

In future, it should only be possible to transfer a maximum of 10 per cent of modernisation costs onto the rent - and at most until they have been paid off. By means of adapting the hardship clause in the Tenancy Act (Article 559 para. 4 of the German Civil Code (BGB)), we will guarantee effective protection for tenants against financial overburdening in case of refurbishments.

For all legal areas, we will clarify that only the actual living or useful area can be used as the basis for legal claims, e.g. the amount of the rent, rent increases as well as heating and running costs that can be apportioned. We will ensure that the comparative rent usual for the area will be calculated on a broader base and represented in a more realistic manner in the rent index.

We think that effective instruments are necessary to combat gross neglect of accommodation by owners. We will examine corresponding regulations.

We want to achieve clear general conditions that apply nationwide to brokers' services, as well as quality assurance. Landlords and tenants should continue to be able to function as clients. The market economy principle applies in this case: the orderer pays. In broker law, we want to create incentives for better consumer advice for real estate purchases. To this end, we strive for remuneration according to the consulting work provided, which does not depend on outcome, as a further option for the consumer. Furthermore, we want to introduce proof of expertise and transfer standards from other consulting professions to the brokerage trade. We will define minimum professional requirements and compulsory insurance for housing administrators and real estate brokers.

We want to expand consumer protection in the area of building and other services for builders and real-estate owners, especially in building contracts law and with regard to third-party administration of housing.

With the introduction of the land register database, we will regulate the ability of the administrator to view the electronic process.

Living space that is appropriate for different generations and ages

We want to support the creation of more living space that is appropriate for different generations. Particularly older people need homes and living areas that present no or few barriers so that they can live with self-determination and in a manner appropriate to their age. As a means of promoting building conversions appropriate for the generations, we will launch a new program called "Altersgerecht Umbauen" (Age-appropriate conversion), providing it with investment subsidies and thus supplementing the existing KfW loan program. The CO2 building refurbishment program should be provided with a support bonus coupled to additional measures for carrying out conversions to suit the needs of older people and provide accessibility. We want to support communal forms of living for older people and promote them by providing models.



Energy-efficient building and refurbishment

We will continue to encourage energy-efficient building and refurbishment as a decisive contribution to the 'energy transition', and we want to ensure that high-quality, energy-saving living remains affordable for all. The efficiency rule, technological openness and absence of compulsory refurbishments will remain fixed points of reference in the energy concept. The currently applicable regulatory provisions will not be tightened further, and we will evaluate their effects.

We will continue to support new technologies for even greater building energy efficiency and to improve the generation and use of renewable energies in the property sector. We will continue and bundle state funding for energy consulting in the property sector.

We will strengthen the district as an important area of activity, e.g. for decentralised electricity and heat supply. We will continue with the KfW program for urban energy refurbishment, and will request further financing contributions from the federal states. We want to establish a refurbishment bonus as a specific incentive for retaining and creating living space with high energy efficiency and good accessibility in order to benefit areas that are particularly affected by demographic change.

Building quality

In order to secure the high level of German structural engineering, building technologies and construction materials, we will intensify construction research and launch pilot projects in order to link the economic goals of building more effectively with the requirements imposed by the energy transition, building culture and new technologies.

We will strengthen our efforts for sustainable and innovative planning and building as manifested in low-energy house technology, brought together in the research initiative "Zukunft Bau" (Future Construction), in close dialogue with the construction and real estate industry.

The function that Federal Government buildings have of being role models is something that we take seriously - especially where building culture and energy efficiency are concerned. We will strengthen the powers of the Federal Office for Building and Regional Planning with regard to construction supervision of civil engineering measures by the Federal Government, and develop it into an even more effective coordination center - above

all to safeguard quality and adherence to budgets and deadlines.

Major public construction projects must once again be put on a more reliable basis with regard to building costs and deadlines. The specially established "Major Project Reform Commission" will present new proposals for this in 2015. On this basis, we will examine what changes should be made to planning law, public procurement law, budget law and further areas of application. Through a building costs reduction commission, we are examining standards which have the effect of driving up prices and "gilding the lily", as well as the costs of materials and processes particularly with regard to energy refurbishment.

Urban and regional development

Developing urban development funding further

We will continue the successful model of urban development funding in joint responsibility between the Federal Government, federal states and local communities, and develop it further in dialogue with all the stakeholders involved in urban development. We will increase the Federal Government funding available for this every year. The programs of urban development funding should support local authorities, especially with respect to demographic, social and economic change as well as climate protection. We will expand participation by citizens, civil society and business stakeholders as well as cooperation with private real estate owners and residential property companies. We will simplify the combination with other funding programs. We will ensure that even local authorities experiencing a budget crisis will not be excluded from funding. We will upgrade the Social City programme, and ensure that it can use the funds flexibly in the same way as the other urban development funding programs.

Standardising urban redevelopment programs in east and west

We will look into combining the tried-and-tested urban redevelopment programs into a uniform, integrated urban redevelopment program with upgraded content (taking account of the Solidarity Pact, phase II).



Social City: Ensuring integration and participation

We will continue the "Social City" program within the scope of urban development funding, as the leading program for social integration. It forms the basis for a cross-departmental "Social City" strategy, to which we will add funding from programs in other departments in areas with increased integration requirements.

Environment

The protection and the preservation of Creation, of the natural environment sustain the fundamental necessities of our lives and form part of our responsibility for future generations. To us, environmental protection is an investment in quality of life, to which everyone is entitled.

Sustainability

To us, supporting sustainable development is a fundamental objective and a gauge of the government's actions. This applies in particular to a post-2015 agenda for sustainable development by the United Nations. We will advocate a strengthening of the European sustainability strategy. We will strengthen national sustainability targets and implement them, for example in public procurement. We want to establish "Education for Sustainable Development" more firmly in all areas of education. The results of the "Growth, Prosperity, Quality of Life" commission of enquiry within the German Bundestag will be taken into account. The Parliamentary Advisory Council for Sustainable Development will be reconvened and strengthened in its function. Interdepartmental coordination will be extended. The subsidy report of the Federal Government will take a closer look at whether the measures are sustainable.

Innovations for greater resource efficiency

Innovations in environmental and climate protection as well as efficient use of resources offer opportunities for growth. We will start an "export initiative for environmental technologies". New professional and qualification requirements will be highlighted, including within the dual education system. We will draft an integrated and comprehensive environmental program in the form of the "Prospect 2030", in which long-term targets and areas of emphasis are formulated. In order to coordinate innovation and environmental policy across departments, the "Environmental Technologies' Master Plan"

will be developed further and an action plan for ecological innovations will be launched as a national underpinning for the EU Eco-innovation Action Plan.

Efficient use of resources is essential for economic, ecological and social reasons. We want to achieve the doubling of raw materials productivity by 2020 compared to 1994, as has already been decided. Consequently, the German Resource Efficiency Program will be developed further, and a platform for resource efficiency established.

What is important in the areas of resource efficiency and recycling is to ensure the transfer of research results to small and medium enterprises. We will further increase resource efficiency by offering consultation to companies and households. We will trial models for raw materials monitoring, which will also include analysing material flows from secondary raw materials (scrap and production waste).

In the secondary raw material economy, we will orientate our policy both towards the objectives of climate and resource protection and the needs of the economy. Fair competition regarding the most efficient and cost-effective solution for raw material recovery and processing represents a central element in this. We will further develop the existing recycling responsibility for packaging to also include products, and in doing so, we will base our actions on the aspects of CO2 avoidance, consumer friendliness and cost-effectiveness.

Circular economy

We will develop the circular economy into an efficient instrument for sustainable material flow management. We will create the legal basis for introducing common doorstep collection of recyclables for packaging and other recyclable materials. Ambitious recycling quotas, competition and product responsibility will be reinforced as cornerstones of a modern circular economy. The European Directive on Waste Electrical and Electronic Equipment will be rapidly implemented in national law, collection quantities of electrical and electronic waste increased, systems for taking back reusable products expanded and the return of used devices made easier. Data security and protection must be guaranteed with regard to recycling information and communications technology products. The burden of proof will be reversed in order to curtail the illegal export of electrical scrap. In future, the exporter will have to demonstrate that it is not waste.



"Use but do not exhaust" is the principle for dealing with the limited resource of the soil. In accordance with the national sustainability strategy, we want to restrict new land use to a maximum of 30 ha per day by 2020. Amongst other things, we will examine how we can promote sensible mixed-use schemes in inner city areas where land is at a premium further. We will continue to monitor the pilot scheme for trading in land certificates, as well as developing planning instruments further and making sure they are compatible with demographic change. We will strive for allotments which have been ecologically upgraded on a sustainable basis to qualify as offset areas in future.

Conservation and biodiversity

We want to maintain the natural richness and species diversity of our home country. The national biodiversity strategy will be implemented. The National Natural Inheritance will be expanded by at least 30,000 ha, and for this purpose land withdrawn from military use will be excluded from privatisation and transferred to interested federal states, environmental associations or foundations. This will also be a step towards the "two-percent wilderness target" by 2020 or the "five-percent natural forest development target". The "Federal Biodiversity Program" funding program will be continued. We advocate an "Alpine Strategy". The Nagoya Protocol will be ratified and implemented as quickly as possible. The commitments on international biodiversity protection will be complied with. We advocate protection, retention and reestablishment of forests and forest structures, as well as the forest finance associated with this. The REDD+ mechanism of the United Nations Framework Convention on Climate Change will be developed further. We will improve protection for wild animals and take measures against poaching as well as the illegal trade in wild animals and their products; trade involving and private keeping of exotic and wild animals will be regulated on a uniform nationwide basis. All imports of wild-caught animals into the EU should be prohibited, and commercial animal shows for exotic animals banned. The coalition, together with other countries, will ensure better protection of birds along migration routes.

Flood protection

Rivers must be given more space once again. Progress will be made with the national flood protection programme, which is a scheme providing opportunities for developing river meadows under natural protection aspects as well as ensuring a fair balance with the inter-

ests of agriculture. We will draw up a federal land use plan for flood protection under which standards will be developed across the federal states for areas prone to flooding, areas of managed retreat, polders, etc.

By the end of 2014, we will have worked out a national flood protection program with the federal states, coordinated by the Federal Government. This will focus on nationwide measures for preventative flood protection as well as uniform standards for flood protection on our rivers. A special outline plan of "preventative flood protection" will be launched. We will take advantage of opportunities for accelerated planning and approval processes in order to build flood protection facilities. For this purpose, we want to work together with the federal states to trial and adapt both national and regional regulations. We will embark on intensive dialogue with our European neighbours regarding flood protection. The general conditions for insurance against damage due to natural forces. A federal "Blue Ribbon" program will be launched in order to promote the renaturalisation of watercourses and meadows, and a "Federal Green Infrastructure Concept" will be presented as the basis for planning decisions by the Federal Government. We want to implement the general Elbe concept which will balance out ecological and economic concerns. We want to see the Danube development scheme between Straubing and Vilshofen implemented on the basis of the decision option from the Bavarian State Government (without barrage).

Water and sea pollution control

Protection of bodies of water against nutrient runoffs as well as pollutants should be increased and placed on a legal footing in such a way that mistaken developments are corrected. We will end the practise of applying sewage sludge for fertilisation purposes, and recover phosphorus and other nutrients. The nationwide regulation on handling water-polluting substances will be implemented rapidly. We will amend mining law with regard to the aspect of water pollution control and strive to achieve the bases for underground land use planning.

We advocate a network of protected zones in high seas areas, as well as negotiations for an international implementation agreement. The EU Marine Strategy Framework Directive will be implemented, and sea waters off the German coast will be placed in a good environmental status by 2020 at the latest. This includes establishing protection zones, combatting over-fishing, establishing clear rules for deep-sea mining as well as oil or gas extraction from great depth. Fisheries manage-



ment will be established for the ten Natura-2000 areas, in order to achieve the protection targets. We will support the EU commission in its struggle against littering of the seas, especially in measures against plastics dumping. The Union and SPD support the establishment of protected areas in the Arctic and Antarctic. The liability rules for the Antarctic Environmental Protection Protocol will be ratified and implemented domestically.

Environment and health

We want to improve air quality, reduce pollutants at source by innovative technologies and, for this purpose, further promote the fitting of soot particulate filters to passenger cars and light commercial vehicles.

Substances that represent a risk for people and the environment will be avoided in all means of packaging, clothing and everyday products to the greatest possible extent. We will contribute to sustainable global chemicals management. We will ensure that substances such as endocrine disruptors, toxic substances and substances that sensitise the respiratory passages and skin and the chronic effect of which leads to illness will be included in the REACH list of candidates on the basis of scientifically justified and clearly defined criteria. State-funded accompanying research into nanomaterials will be continued and increased.

Protection of foodstuffs against environmental contaminants will be improved further. Health hazards posed to people, flora and fauna as a result of pests should be prevented in an environmentally friendly way, taking account of the population's health protection. Steps will be taken to examine how to improve protection for people against non-ionising radiation, e.g. ultrasound and lasers, as well as electromagnetic fields.

Agriculture and rural areas

We honour the achievements of the agriculture and foodstuffs industries in Germany for safeguarding healthy nutrition and retaining diverse cultivated landscapes. Our objective is to achieve a multifunctional landscape of farmers and entrepreneurs who produce in an environmentally friendly approach with efficient use of resources, whilst combining animal welfare, sustainability and competitiveness with one another. The guiding principle is a regionally anchored, comprehensive network of family-run agricultural enterprises with different

structures and means of production. This will contribute to wealth creation, well-paid work and a secure income in rural areas.

Implementation of the Common Agricultural Policy (CAP) and development of rural areas

In implementing the Common Agricultural Policy nationally, we will particularly promote the efficient, social and ecological development of rural areas. The joint task of agricultural structure and coastal protection will be developed further into a "joint task for rural development". The funding possibilities provided in the European agricultural fund for developing rural areas (E-LER) should be comprehensively used. It is necessary to coordinate departmental responsibilities better in order to achieve an integrated development of rural areas. The Federal Government will establish an area to focus on rural areas, demographics and public service provision.

Wealth creation and innovation

We want to coordinate agricultural research more effectively and strengthen it in the areas of animal welfare, sustainable plant protection processes, protein strategy and climate protection in agriculture. The work of the German Agricultural Research Alliance (DAFA) will be supported and consolidated. The range of topics covered by the Expert Agency for Renewable Resources (FNR) will be expanded to include the area of sustainability. We will coordinate European funding programs more effectively in Germany. The Federal program of "Ecological Soil Cultivation and other Forms of Agriculture" will be consolidated.

German milk producers make an important contribution to wealth creation in rural areas, as well as retaining the cultivated landscape. We will continue on the course of market orientation in the dairy industry. We continue to advocate an effective and reliable safety net in the EU.

Existing potential for energy saving in horticulture should be utilised more effectively.

German viticulture plays an important role in retaining a typical cultivated landscape. We support German wine-makers in their orientation towards successful, high-quality products.

We will push ahead with implementing the Forest Strategy 2020, and in doing so concentrate more on the protection targets of the biodiversity strategy. Small and



ultra-small private woodland will be included in the development with suitable funding. Concepts of the specific federal states for achieving these targets will be untouched. The Forest Climate Fund will be provided with adequate funding.

In the course of the reorganisation of European seed legislation, we advocate that seed diversity must be guaranteed, the interest of the non-commercial sector upheld and access to old and regional varieties unrestricted. We advocate not imposing further restrictions on farmers and small-scale plant breeders within the framework of cloning.

We want to support traditional, labour-intensive coastal fishing as well as enhancing freshwater fishing and aquaculture. The reform of the Common Fisheries Policy will be implemented with regard to efficient use of resources and retaining competitiveness of the fishery. The coalition places particular value on protecting seabeds and stocks as well as further developing catching techniques and methods with the objective of reducing by-catch. The coalition will continue to advocate a consistent ban on whaling as well as a prohibition on the trade in whale meat.

Marketing of regional products will be expanded. The standardised nationwide "regional window" for identifying regional products will be evaluated. Binding criteria will be defined on this basis if necessary. A coordinating function is allocated to the Federal Government in order to improve official checking of agricultural exports with regard to compliance with international standards as well as specific requirements of individual third countries. The export competence of the Federal Ministry of Food, Agriculture and Consumer Protection will be increased.

When concluding bilateral and multilateral trade agreements, binding compliance with the high European standards in the areas of consumer, animal and environmental protection is of central importance.

Non-agricultural capital investors and privatisation of land

We will examine the legal instruments for monitoring the direct and indirect purchase of agricultural land by non-agricultural and super-regional investors.

In negotiations between the Federal Government and federal states, we will clarify whether the trust land remaining under the sovereignty of the Federal Govern-

ment can be transferred to federal states who are interested in receiving it. This will give the federal states the opportunity to establish a livelihood program for young farmers, amongst others. The handover conditions must be designed to take account of specific agro-structural, environmental-policy and constitutional conditions, as well as aspects of budget law.

Agricultural mutual protection

We will intensively follow the reform of the agricultural mutual insurance fund. The clause on transferring farms will be rewritten.

Animal protection and animal health

We are aware of critical debate on animal husbandry in society, and we will develop a national animal welfare campaign. It will bring together the relevant legal areas - the Animal Health Law and the Veterinary Medicines Law - sensibly within a uniform legal framework. The legal rules on reducing administration of antibiotics will be implemented in a practical way with minimal red tape. We will promote the expertise of animal owners. At the same time, we will work out a nationwide testing and registration process for animal husbandry systems. The objective is also to implement EU-wide, common and higher animal protection standards.

We are striving for non-intensive livestock farming. The objective is to promote the appropriate keeping of livestock in Germany. Furthermore, we will initiate a scientific discussion on the parameters of appropriate livestock farming. Together with the federal states and local authorities, we will take the initiative to address the problem of overpopulated animal shelters. We will intensify research into methods of replacing animal experimentation, and for this purpose we will strengthen the personnel and financial resources of the Centre for Documentation and Evaluation of Alternatives to Animal Experiments (ZEBET).

Ethics and agriculture

At European level, we advocate a ban on animal cloning and on the import of cloned animals and their meat. We strive for mandatory labelling for the offspring of cloned animals and their meat. The existing ban on patenting conventional breeding methods, animals and plants obtained from such methods as well as their products and the material intended for producing them should be im-



plemented, and the relevant European regulations tightened up.

Green genetic engineering

We recognise the reservations felt by the majority of the population against green genetic engineering.

We advocate mandatory EU labelling for products from animals fed on genetically modified plants. We maintain our zero tolerance for unauthorised genetically modified constituents of foodstuffs - and also seed purity.

Land protection

In order to avoid losing agricultural land as far as possible, we will strive for the immediate promulgation of a federal compensation regulation.

Fertilisers and pesticides must be applied in such a way that the risk posed to people, animals and the natural environment is minimised. We will decisively implement the National Plant Protection Action Plan.

Agro-structural concerns must be given appropriate weight in measures that will involve building on agricultural land. In particular, the expansion of the grid required as part of the transition in energy policy must be accompanied by fair compensation for property owners and users.

Bee monitoring

Joint efforts by the Federal Government and federal states are necessary in order to retain and expand bee-keeping in Germany. We will continue German bee monitoring with the multi-year investigation program.

Agricultural diesel

For reasons of competitiveness, we will retain funding for agricultural diesel in its current form, and we will strive for a common European regulation by means of the Energy Tax Directive.

Consumer protection

Consumers should be able to take independent decisions. Our goal is a consumer-friendly, transparent market in which safe and high-quality products will be

manufactured and offered for sale under fair and sustainable conditions. Consumer policy also has the goal of strengthening trust between business and consumers. We will eliminate imbalances in the market by ensuring transparency, comparability and possibilities for effective legal enforcement. Our policy is based on a differentiated consumer image. Consumers' requirements, interests and knowledge vary from market to market. The state must offer protection and care wherever consumers cannot protect themselves or are overburdened. Furthermore, it must support consumers with targeted and comprehensive information, advice and education. This applies in particular to new areas such as the financial market and the digital world. For this purpose, we want to give existing consumer organisations the specific task of monitoring the "financial market" and "digital world".

Better organisation of consumer protection and expanding research

We will implement an independent council of experts drawn from various disciplines to address consumer questions, and back it up with an administrative office. It should formulate opinions on and recommendations for important consumer questions and sub-markets.

In the interests of improved consumer protection, we will take measures to ensure that consumer contract law is structured comprehensibly, clearly and coherently in future and is able to be enforced more effectively. Requirements to provide information must be based on the needs of consumers.

The improvements achieved through the law on unscrupulous business practices will be evaluated after two years.

The specialised consumer centers will inform the responsible agencies of government about the insights gained from comprehensive counselling and market observation.

The consumer check for legislative projects will be expanded; the benefit for consumers will be justified and specifically carried out.

If there is justified suspicion of repeated infringements against consumer rights, public authorities should be bound to investigate. Consumer protection will be made an equal objective of the supervisory activity of the Federal Network Agency, Federal Financial Supervisory Au-



thority, German Federal Cartel Office and Federal Office of Consumer Protection and Food Safety.

Allocations to the Stiftung Warentest (consumer protection organisation) and the Federation of German Consumer Organisations will be increased. The foundation capital of Stiftung Warentest will be boosted.

Stiftung Datenschutz (data protection organisation) should be integrated into Stiftung Warentest.

European and international consumer law

EU consumer law should be developed further on the basis of the principle of minimum harmonisation. The principle of subsidiarity must be taken into account more. The coalition would like Germany to exceed the level of these minimum regulations. We support full harmonisation in the event of special benefit for consumers.

If there is a free-trade agreement between the EU and USA, high European standards, such as those in consumer and data protection, must remain in force.

With regard to the new arrangements in the passenger rights regulation and package holiday law, Germany advocates retaining the existing level of protection; abusive practices such as excessive fees for changes of name and lost travel documents will be prohibited.

The EU Directive on alternative dispute resolution for consumer disputes will be implemented promptly in a consumer-friendly way, and the "online arbitrator" will be extended nationwide in a uniform manner. Existing arbitration options will be examined with regard to their consumer-friendliness.

Greater transparency and support for consumers

We want to create the basis for a label identifying sustainable products and services, and taking account of the product lifecycle. The coalition will examine whether when particular product properties are advertised, it will be possible to give consumers the right of information.

At EU level, we are taking measures to ensure that repair-friendly processes will be included into the Ecological Design Directive.

In order to improve product safety, we advocate a European safety logo similar to the German GS symbol, with

a compulsory third-party inspection at EU level for children's toys.

Product information pamphlets should also be introduced for other markets such as telecommunications and energy. The usefulness and comprehensibility of product information pamphlets and consulting reports (financial sector) must be examined regularly and improvements implemented, for example through standardisation.

State-funded private old-age provision should become more consumer-friendly, for example, by limiting the administration costs.

Protection for consumers in the financial sector

We will extend the evaluation of statutory regulations on introducing a seizure protection account, and in particular take care that the costs of a seizure protection account are not inappropriately high.

Use of the overdraft facility should not impose an undue burden on a bank customer. As a result, the banks should be obliged to notify the account holder if the account balance dips into the overdraft territory; in the event of continued resort to the overdraft facility at a significant level, they should be obliged to offer the client advice about possible less expensive alternatives to an overdraft.

We will push ahead with introducing up-front fees for advice as an alternative to commission-based advice for all financial products, and we will set exacting requirements for the quality of advice. The job descriptions and training standards for consultants operating on a fee basis will be developed further.

We will examine the advice report used in financial investment consulting with regard to its practical handling, and will develop it further with improvements for investors.

Protection of consumers in the energy sector

We want to introduce regulations for improved protection against disconnection of electricity and gas, for example by using intelligent electricity meters with a pre-pay function. With regard to tariff approvals, it is necessary to ensure that basic provision tariffs are designed appropriately. Instruments will be developed in order to ensure the promised quality of energy services and en-



ergy efficiency investments from the consumer perspective.

Security, self-determination and transparency in the digital world

We encourage innovations and techniques that ensure profiling and business models based on profiling that can function without the need to gather individualised, person-related data. Non-anonymous profiling must be linked to tight legal limits and the approval of consumers. Companies that use scoring processes will be obliged to notify the responsible authority of this. We will create the legal basis for consumer associations to blow the whistle on infringements of data protection law, and allow them to bring action for injunction.

We will shape mobile commerce in a consumer-friendly way, for example through transparent display possibilities on mobile terminal units and the possibility of returning apps. We will strengthen the rights of consumers in the use of digital goods to offset the market power of global vendors. In the course of evaluating the law on unscrupulous business practices, we will in particular examine the effectiveness of capping the amount in dispute in the case of written warnings against consumers on the basis of copyright infringements on the Internet.

Safe foodstuffs, transparent labelling, healthy nutrition

The coalition will coordinate foodstuffs monitoring more effectively, and ensure uniform standards and appropriate levels of monitoring apply in Germany and the EU.

The Consumer Information Act and Article 40 of the Foodstuffs and Animal Feed Code (LFGB) will be modified so as to make it possible for legally compliant publication of observed, non-insignificant infringements at the same time as reducing other reasons for exclusion and limitation.

For example, in the area of documentation and labelling, we will make sure that ways can be found to cut through red tape for smaller, regionally based companies without endangering the level of protection.

Within the EU, we advocate an animal welfare label according to the German model as well as compulsory labelling for products from animals that have been fed using genetically modified plants. It advocates a ban on cloning as a means of producing foodstuffs and on the import of cloned animals as well as mandatory labelling

of animals and animal products derived from the offspring of such animals. With regard to foodstuffs, there must be compulsory labelling of the origin and location of production.

The recommendations of the Food Code Commission must be orientated more specifically to the requirement of consumers for "truth and clarity".

The coalition will evaluate existing initiatives on nutrition and health and consolidate the successful ones.

4.3. CULTURE, MEDIA AND SPORTS

Culture

Promotion of culture in the federal system

Promotion of art and culture is a joint task for the Federal Government, federal states and local authorities which carry out these functions under their own responsibility. The coalition will continue to develop the Federal Government's cultural budget at a high level. Culture is not a subsidy, but an investment in our future.

With regard to planning and finance, the Federal Government and federal states should work together more intensively and systematically in future (cooperative cultural federalism). For this purpose, a regular exchange should be established between the Federal Government, federal states and local authorities. The cultural foundations of the Federal Government and federal states must be involved.

The Federal Government funds nationally significant cultural institutions. Funding criteria must be established for federal participation in order to achieve a systematically and clearly structured funding framework. The institutions that have been funded so far require long-term financing prospects up to 2019 and beyond. The coalition will continue the program of "Investment East - Investments for National Cultural Institutions in Eastern Germany".

Funding of the following nationally significant cultural sites should be examined with priority: Romanticism Museum in Frankfurt am Main, display center for artistic collections at the Brauweiler Abbey (North Rhine-Westphalia), Dresden Royal Palace and International Dance Center Pina Bausch.



In view of the rapid pace of social change (demographics, digitalisation, integration, etc.), the cultural infrastructure in Germany should be developed further, modernised and adapted to meet new challenges. An important aspect in this concerns access for people with disabilities to cultural institutions and architectural monuments.

Together with the federal states, the coalition wants to develop new forms of working and cooperation models in order to indicate the potential for demographic change in the cultural sector, and to highlight the effect of art and culture in establishing a sense of identity.

Reinforced cultural policy research and, if necessary, cultural statistics to be safeguarded by law will promote analysis, exchange and reflection. This also includes the further development of qualified visitor research, providing valuable feedback about artistic offerings.

The cultural landscape in Germany is characterised by cultural variety and many independent initiatives and projects which must be reinvigorated and revitalised time and time again. The commitment of the Federal Government to funding independent, contemporary and performing arts and culture must be strengthened, above all with regard to intercultural concerns.

The German Federal Cultural Foundation (KSB) has an important role to play as a sponsor and umbrella organisation for allocations to cultural funds, and should be strengthened further. Furthermore, the coalition wants to place the autonomy and the work of the existing funds on a sounder financial footing.

Through funding of music by the Federal Government, the coalition wants to develop further the approach of concept-oriented cultural funding. The establishment of a music fund at federal level for developing contemporary music culture will help to close a gap in the funding system.

Also, funding by the Federal Government for dance as an innovative and internationally appealing form of art should be continued in dialogue with the federal states and developed further within the framework of a contemporary, sustainable program of funding.

The particular responsibility of the Federal Government in Berlin is a long-term task, and the capital city financing agreement must be designed as a long-term approach. Together with the Federal State of Berlin, the

coalition will conclude a follow-on agreement for the capital city financing agreement that will run out at the end of 2017. In this, all fundamental questions of nationwide representation by the Federal Government in the capital and the associated cultural financing will be regulated further on a unanimous and binding basis in accordance with Article 22 para. 1 of the Basic Law.

Berlin will receive a further urban development anchor point with the Berlin City Palace/Humboldt Forum. The work will be continued apace. The Federal Government will continue to support the Berlin City Palace/Humboldt Forum Foundation in its campaign to attract donations.

In order to guarantee subsequent running of the Humboldt Forum building, to prepare a program of events for the building adequately and to permit an appealing cultural program to be offered for everyone after handover to the users, the coalition will monitor the further development of the utilisation concept, and plan the necessary funding in good time as part of its financial planning.

The coalition will strengthen the work of the Prussian cultural heritage foundation as well as continuing to support the Foundation of Prussian Palaces and Gardens.

The coalition commits itself to the goal of allowing everyone to enjoy an equal share of culture during all phases of their lives, irrespective of their social status and ethnic origin. Culture for all comprises inclusion, gender equality as well as intercultural openness. These principles must also be carried over to the institutions and programs sponsored by the Federal Government.

Cultural education is essential for development of the personality, in particular in young people, their social skills and participation in society. This also includes media education. For this purpose, a balanced relationship must be struck between reliable structural funding and innovative project funding. The "Kultur macht stark - Bündnisse für die Bildung" program of cultural promotion and alliances for education should be examined with regard to its efficiency, coordinated with the cultural area and federal states, and its content should be developed further.

Commemorating and remembering, cultural inheritance, building culture

The historical memory and, in particular, reappraisal of the recent history of our country remain ongoing tasks.



Our awareness of freedom, justice and democracy is characterised by the memory of the reign of terror during the National Socialist period, Stalinism and the one-party dictatorship (Socialist Unity Party of the former East Germany), as well as by positive experience gained during Germany's democratic history. The proven memorial concept of the Federal Government must be developed further. The coalition ascribes particular importance to work with contemporary witnesses, civic education as well as the effect of authentic locations. The memorial to the Torgau Youth Detention Centre will be included in the institutional funding of the Federal Government.

The topic of opposition and resistance contained in the memorial concept will be implemented by the coalition in various ways, such as securing the archive of GDR opposition held by the Robert-Havemann Society and the "Peaceful Revolution 1989" open-air exhibition in the long term.

The coalition supports the project of using and developing further the former Stasi headquarters in the Lichtenberg district of Berlin as a future location for education about dictatorship and resistance. It also supports the relocation of the Allied Museum to the former airport at Berlin Tempelhof.

We will also keep alive memories of the victims of National Socialism and resistance to the NS regime, including in its European context. The systematic genocide of European Jews as well as other peoples and groups will always hold an outstanding level of significance in Germany's remembrance culture.

Even today, the whereabouts of artistic and cultural treasures their owners lost due to persecution by the National Socialists have not yet been definitively clarified. The consequences of National Socialist injustice still persist. The coalition will boost funding for provenance research in order to do justice to the demand for restitution of cultural treasures misappropriated as a result of NS persecution, especially from Jewish owners.

The coalition will push ahead with the reappraisal of the NS past by ministries and federal authorities. As part of stock taking, the current status of research and existing research requirements should be established at federal level as a means of reappraising the early post-war history of ministries and public authorities in the Federal Republic of Germany and the GDR.

In view of the enormous lack of knowledge amongst young people regarding the two German dictatorships of the 20th century, it is important to use effective means to communicate knowledge better, such as in-school and extracurricular civic education. Authentic locations such as the former "Reichsparteitagsgelände" (Nazi party rally grounds) in Nuremberg, have a significant function to play in cultural history in Germany, and should be retained and used together with the federal state in question.

During the coming legislative period, we will appropriately commemorate amongst other events the 100th anniversary of the outbreak of the First World War, 25 years since the fall of the Berlin wall and German unity, commemorations to mark 70 years since the liberation of the concentration camps, the end of the Second World War and 80 years since the "Nuremberg laws".

The coalition will put the work of the Federal Foundation of Reappraisal of the SED Dictatorship on a stable financial footing.

The restitution of art and cultural treasures misappropriated by the public authorities of the former Soviet occupation zone/GDR from their rightful owners is a task that has not yet been completed. In these cases too, provenance research must be strengthened in order to clarify the claims of former owners.

The coalition wants to develop further the understanding of our common European history, and welcomes the project of the "European Heritage Label". Together with other European partners, the European Network for Remembrance and Solidarity can provide the nucleus for greater remembrance and commemoration in the spirit of European reconciliation and democracy, exchange and joint projects. The coalition will support the Network in this.

Funding for the cultural inheritance of Germans in eastern Europe according to Article 96 of the Federal Law on Displaced Persons (BVFG) is a contribution to the cultural identity of Germany and Europe. With the objective of reinforced European integration, the "Concept 2000" of cultural promotion by the Federal Government should be adapted according to Article 96 BVFG and developed further; in addition, the concept of the Exodus, Expulsion, Reconciliation Foundation (SFVV) should be implemented. The coalition parties advocate a social and historical reappraisal of forced migration, exodus and displacement. We underscore our solidarity with German minori-



ties in Eastern Europe, as well as with Germans living abroad.

Preserving the written cultural inheritance is a nationwide duty. The corresponding coordination center at the Berlin State Library will be continued beyond 2015 on the basis of an already planned evaluation and in consultation with the federal states, if necessary by means of a Federal Government/federal states funding program.

We want to encourage a broad-based social dialogue regarding aspects of building culture - including building projects by the Federal Government. The federal foundation Bundesstiftung Baukultur is an important partner in this, and we want to strengthen it.

Preserving monuments is also a task for the entire nation. The Federal Government will continue special programs for protection of monuments as well as the "Nationally Valuable Cultural Monuments" program. The coalition advocates a "European Year for Monument Protection". We will continue to provide funds for building culture and monument protection at an appropriate level. We firmly adhere to funding of architectural monuments and buildings in refurbishment areas and urban development areas through taxation.

UNESCO world heritage sites are some of the most outstanding international sites in our landscape of protected monuments. The Federal Government will continue to be a reliable partner to the federal states which are responsible for their upkeep and maintenance.

The proven "Investment Program for National UNESCO World Heritage Sites" should be continued under the responsibility of the corresponding departments, and the World Heritage Coordination Centre should be consolidated in terms of personnel.

Through amending the act to protect German cultural property against removal, the coalition wants to create a coherent law to strengthen the protection of cultural property; by these means, not only should cultural property illegally exported from other countries be effectively returned to them, but German cultural property should be better protected from being taken abroad.

During the Second World War, numerous cultural treasures were taken from Germany as "booty" to Russia and other countries, above all in eastern Europe. Their return is and remains an important goal of the Federal Government.

The Bauhaus jubilee in 2019 will be supported as an event of national and worldwide resonance, by the Federal Government as well. We will create the necessary structural conditions for this with the three Bauhaus facilities at the Bauhaus-Dessau Foundation, the Classic Foundation Weimar and the Berlin Bauhaus Archive. Together with the federal states involved in the Bauhaus Association, the Federal Government will participate in preparations for the Bauhaus jubilee.

The 250th birthday of Ludwig van Beethoven in 2020 offers outstanding opportunities for Germany as a cultural nation, both domestically and internationally. As a result, preparing for this important jubilee is a national task.

The coalition will amend the law on the preservation and use of federal archival documents, especially by improving its user-friendliness and utility for academic research. The Federal Archive must be enabled to introduce e-administration.

Social security for artists

During the coming legislative period, the coalition will advocate a social safety net for people working in the creative industries and artists, and will ensure that further improvements are made. Gaps in the social safety net for artists will be identified and solutions developed.

We will retain the artists' social welfare fund and put the companies on a long-term secure footing by regular examination of their contributions liability. For this purpose, we must prevent a further rise in the artists' social security contribution. This is predicated on all companies which are liable to make contributions actually doing so.

An efficient assessment process should minimise the burden on business and administration, as well as establishing fairness in contribution. At the same time, we also want to tighten up the definition of voluntary and artistic activity.

Reform of copyright law

We want to adapt copyright law to the needs and challenges of the digital age. We will take account of digital utilisation practices in doing so. The objective must be to strike a fair balance between the interests of authors, commercialisers and users. In order for the value of creative achievements to be placed more centrally in the copyright debate, it is necessary for awareness of the



value of intellectual property to be strengthened in society. Consequently, the coalition wants to support corresponding measures.

To provide more effective support for brand owners, authors and other creative people against infringements of their rights in the worldwide digital network, we are striving to expand binding European and international agreements. All measures for protecting intellectual property must be proportionate. We regard service providers in the Internet taking greater responsibility as an important contribution to protecting consumers and curtailing mass infringements of rights.

We want to improve legal enforcement, especially against platforms which have business models that are significantly based on infringing copyrights. We will ensure that such service providers can no longer have recourse to the liability privilege that they are so-called host providers, and in particular that they will no longer receive any advertising revenue.

In order to prevent infringements of rights, we will strengthen the media competence of Internet users and make them better able to differentiate between legal and illegal content on the net.

We want to strengthen collective rights management by commercialisation companies and, in particular, make the supervision of commercialisation companies more effective.

We want to make negotiations and dispute settlements regarding the level of private copying remuneration faster, more efficient and more straightforward, and we will introduce a deposit obligation for statutory remuneration claims.

In order to improve the position of the author and allow creative people to obtain appropriate remuneration, it will be necessary for copyright contract law to be revised. In doing so, we must establish whether negotiating or conflict resolution mechanisms are designed efficiently enough and whether the process needs to be accelerated overall, as well as if the binding nature of the arbitration process must be improved.

We commit ourselves to contractual freedom in copyright, and we are aware that content is often offered under (implicit) terms of use. At the same time, the interest of consumers in long-term and device-neutral use of their legally purchased digital content must be taken into

account. Our objective is therefore to allow and encourage the portability of purchased content. Furthermore, it is necessary to examine how it can be ensured under copyright law that technological gaps can be avoided when rebroadcasting radio signals.

We will take greater account of the important concerns of the scientific, research and educational communities, and introduce an educational and scientific barrier. We will examine whether public libraries should be given the legal right to license electronic books.

We will develop a comprehensive open access strategy which improves the general conditions for effective and long-term access to publically financed publications and data (open data).

Changes in the media world also have consequences for printed media, although the reasons for tax concessions - culture and media content as part of public service provision - also stay the same in the digital world. The coalition wants to maintain the reduced value added tax rate for books, newspapers and magazines; in future, this should also apply to audio books. A European level, the coalition will take action to ensure that the reduced value added tax rate can be applied to e-books, e-papers and other electronic information media in future. The net book agreement is essential for maintaining the diversity of books and bookstores, and must also be safeguarded under European law with regard to e-books.

In future too, the coalition will hold with the tax concessions for cultural activities and maintain the existing standard of tax concessions for charitable institutions. The coalition will examine whether further VAT concessions are possible for artistic professions.

Media

Independent and diverse media are pillars of a functioning democracy. Consequently, it is declared objective of the coalition to safeguard the freedom of media as well as their diversity and independence. Digitalisation and the associated media convergence are features of current trends in the media world. However, it is not the means of distribution but rather the content that should decide on the regulatory regime in place. As a result, the Federal Government supports efforts by the federal states to achieve a media structure that is appropriate for media convergence. In this context, the coalition ad-



vocates a Federal Government/federal states commission to be convened for a limited period following on from the preliminary work done by the federal states in order to work out the necessary compatibility rules and associated adaptations - for example to the interfaces between media supervision, telecommunications law and competition law.

In particular as a result of European and international developments in the media sector, it is important to speak with a coherent and powerful voice. For this reason, it is necessary for German interests to be represented more consistently in Brussels, as well as for close coordination between the Federal Government and federal states there.

Being aware of the responsibility of the federal states, the coalition commits itself to the dual media structure. The coalition wants to see fair competition opportunities for all media providers. As a result, we want to strengthen the general economic conditions for private-sector media production. It advocates the principle of platform neutrality, i.e. non-discriminatory transmission of information and neutral access to content must be ensured on distribution platforms for radio and television media, especially with platform operators that dominate the market. Private and public-service audio visual media outlets and journalistic-editorial content that makes a contribution in the sense of public value should receive non-discriminatory access to distribution channels and stand out in search functions.

The coalition advocates a revision to the guideline on audio visual media services (AVMD-RL) to take account of the developments in a convergent media world and to deregulate competition rules, amongst other things. In the area of online advertising, we support the sector's self-regulation approaches.

It is necessary to examine to what extent cartel law needs to be adapted in the light of current developments with regard to convergence. At the same time, the competitiveness of our media companies must not be impaired in the international context.

With regard to frequency planning (Digital Dividend II), we will seek unanimity with the federal states in considering the concerns of the affected broadcasters (DVB-T) and the interests of users of wireless means of production (e.g. in cultural facilities) on a national and European level. The conditions necessary for the changeover to DVD-T2 must be retained.

Deutsche Welle is an important voice of Germany in the world, and must be lastingly and noticeably strengthened. The fundamental strengthening of cooperation between Deutsche Welle and ARD, ZDF and Deutschlandradio agreed between the Federal Government and federal states in summer 2013 must be implemented, particularly in the information sector.

Media with a journalistic-editorial responsibility are of central importance for democracy, freedom of information and opinion forming, irrespective of their technological dissemination. The coalition supports an initiative by the federal states to reintroduce the "official press card".

The diverse and important initiatives by the German Federal Agency for Civic Education, in particular with regard to strengthening (local) journalism, will be continued and developed further.

The coalition wants to work with publishing houses and journalists to anchor an awareness of the value and importance of newspapers and magazines as a cultural asset of society. We want to retain the variety of content in this area, especially at regional level as well. Publishing houses and journalists need to be able to rely on general conditions in politics.

We regard the Presse-Grosso press wholesalers' distribution channel as an essential and neutral feature. It must not be allowed to be impaired by changes in European law. We will conduct discussions with the federal states to advocate the Presse-Grosso being integrated in press law.

Together with the federal states, the Federal Government will develop the media database further and support the continuation of press statistics as media statistics.

The coalition wants to strengthen independent bookstores in their function as a place of cultural communication and encounter, particularly in view of the continuous rise of the mail-order book trade which is characterised by major market players, e.g. by introducing an annual prize for particularly innovative and culturally oriented business models.

Our national film heritage must be secured in the long term, and also remain viewable in the digital age. Not only does this require funding for digitalisation from the Federal Government, but also the involvement of the



federal states and the film industry. The Deutsche Kinemathek Foundation must be strengthened as one of the central institutions for preserving and granting access to the German film heritage. The coalition will also strengthen the Federal Archive in terms of personnel and finance.

Over recent years, the German Federal Film Fund (DFFF) has contributed significantly to improving the general economic conditions in the film industry in Germany, and has sustainably improved the international competitiveness of Germany as a production location. In order to strengthen the German film industry, we will revoke the previously applicable time limit on the DFFF, and continue the successful funding programme.

In the course of the upcoming amendment to the Film Promotion Act (FFG), the coalition will evaluate the effect of individual instruments for film promotion with the objective of making the FFG viable for the future.

We will encourage all those in a position of responsibility to focus on strengthening German children's films.

We want to retain our diverse cinema landscape in Germany overall. Within the successful funding program for digitalisation, we also want to include those cinemas that undertake a special function as a cultural location and have previously been unable to meet the minimum conditions for funding.

Digital media

Germany should develop into a country of digital culture. Our cultural inheritance must be digitalised in order to secure it for future generations.

The German Digital Library plays an important task in safeguarding our cultural heritage as the German contribution to Europeana, the European digital library. The Federal Government is aware of its responsibility for digitally recording the cultural and scientific heritage, and is pushing ahead with a coordinated digitalisation strategy on this basis together with the federal states and local authorities. The institutions funded by the Federal Government must be made capable of inputting their holdings.

Media competence is an elementary key competence in our digital society, and represents a fundamental pre-

condition for self-determined handling of the media and the Internet for all generations. It opens up opportunities for media participation and use of the Internet - including in interaction with citizens' media - and increases users' awareness of possible risks. The initiatives taken by the Federal Government so far should be continued and consolidated - whilst respecting the competences of the federal states - and in close cooperation with them. Initiatives such as "Internet for Children" / "Ask Finn" permit children to use the Internet proficiently. The "National Initiative for Print media" should be developed further and take particular account of communicating media skills to children and young people.

Children and young people should be able to make optimum use of the opportunities and possibilities offered to them by the Internet, without being confronted with content that is harmful to them. Modern youth media protection must create the general conditions for shared responsibility between the state, the economy and society. New instruments for effective youth media protection must be developed in the course of dialogue.

Data on children and young people in social media must be given particular protection. In order to achieve effective protection for children and young people, efforts must be made to bring about a convergence between the legal regulations on protection of children, irrespective of the delivery channel of the digital media. At the same time, the currently applicable high youth protection standards for carrier media should serve as a means of orientation. In the Centre for Child Protection on the Internet (I-KiZ), those involved are working together to produce an overall strategy that will link together regulation, provider responsibility and strengthening media competence, as well as ensuring international cooperation.

Digital games are a key factor in the everyday life of people in our country, especially youngsters. We recognise the diversity of high-quality content, especially educationally valuable computer games, as well as the great creative performance and high technical skills of games developers. We want to promote this further, for example through the German Computer Games Prize. We want to develop this on a contemporary basis. The Foundation of Digital Games Culture initiated and now founded jointly by the German Parliament, the Federal Government and the computer games industry should be expanded further together with the market players in order to allow new impetus to be given in the main areas of business and training, education and child-rearing, art



and culture as well as research and science. Furthermore, we want to retain the digital game for subsequent generations. It is important to examine suitable archiving opportunities.

Sports

Sports occupy a significant socio-political role and represent the greatest citizens' movement in Germany. The Federal Government regards itself as a fair partner for organised sports. We want Germany to remain a successful sporting nation. In elite athletics, we will improve the general conditions for highly qualified trainers by good working conditions and longer-term prospects. We advocate making sports funding public and comprehensible to all, with regard to the allocation of funds. As part of a sports campaign for education and careers along the lines of the "dual career", we will work with the federal states to advocate universities and employers offering conditions under which to combine study, training or work with elite athletics. We are committed to maintaining an attractive, balanced and needs-driven

infrastructure for elite, performance and basic sports. The interests of sports must be taken into account appropriately in conflict situations involving emissions control law. As a result, we will also examine amending the relevant statutory provisions.

In the future as well, we will ensure reliable finance for the successful program of "Integration through Sports". The National Integration Action Plan must continue to provide an important role for sports, and in implementing the UN Disability Rights Convention, the concept of inclusion will be expanded consistently in sports funding by the Federal Government. We want to incorporate sports into an interdisciplinary overall policy which promotes movement, because sports, health promotion and prevention go together. The fan culture in football should be retained in Germany. Together with associations, clubs and non-violent fans, we want to ensure that visits to sporting stadiums will remain safe. As a result, we welcome and support all preventative efforts, and we will orientate all general legal conditions towards the objective of keeping culprits away from football stadiums.

Doping and match fixing destroy the ethical and moral values of sports, endanger the health of athletes, deceive and harm the competitors in competition as well as the organisers. As a result, we will establish further-

reaching criminal regulations to combat doping and match fixing. For this purpose, we will also consider regulations on the unrestricted punishment for the possession of doping agents with the intent to carry out doping in sports, as well as on the protection of the integrity of sporting competition. At the same time, the principles on the determination of criminal offences and the proportionality of a criminal sanction must be guaranteed. A statutory regulation must not be allowed to represent an impermissible restriction on the constitutionally guaranteed autonomy of sports, and neither may it impair the ability of sporting jurisdiction to operate. We will ensure the sustained financing of the National Anti-Doping Agency (NADA). Regarding implementation of the "Berlin Declaration" of the 5th UNESCO International Conference of Ministers and Senior Officials Responsible for Physical Education and Sports, "MINEPS V", we are continuing to act strongly at national and international level. For this purpose, we will continue our international activities, including working out a corresponding convention of the European Council, and we will support organised, autonomous sports in Germany through the most comprehensive possible introduction of good governance standards.

With regard to the awarding of major international sporting events, we advocate fair and sustainable standards in cooperation with autonomous sports.

4.4. DIGITAL AGENDA FOR GERMANY

Opportunities for a strong economy, fair education and a free and safe Internet

Digital life and work have become the everyday norm, and we are experiencing the change into a digital society. Today, we take it for granted that modern technologies are used in business and society. Most workplaces are characterised by the use of digital technologies. The upcoming next phase of digitalisation will particularly concern the infrastructures: The success factor of the transition in energy policy is digitalisation of the energy supply. Transport infrastructures will be digitalised both with regard to individual transport and public transport. A significant change in the health system concerns the establishment of the telematics infrastructure.

With regard to digitalisation, one significant factor is the globalisation of networks and the international division of labour in the area of information technology. The



worldwide web is a promise of global freedom. However, at the time the NSA scandal broke, if not before, it became clear that digital society is vulnerable. IT security is becoming a significant prerequisite to upholding the rights of freedom. Social opportunities and the economic potential of digitalisation must not be endangered.

The coalition will agree a digital agenda 2014 - 2017 for the actions of all departments, and will accompany its implementation together with business, the collective bargaining partners, civil society and academia.

Digital growth country no. 1 in Europe

We want to develop the information and communication strategy (ICT strategy) further for the digital economy. For us, this includes cutting-edge research within the national and European context, developing and applying digital technologies and ensuring optimum growth conditions for companies in all sectors. In order to rise to the global and security policy challenges, we are encouraging the German and European ICT industry by improving its general conditions and dismantling bureaucracy.

We want to support key areas of the German economy such as automotive and machine construction, logistics and the health business in digitalisation, and to shape the general conditions for companies in such a way that they will remain globally competitive.

We will push ahead with the digitalisation of classic industry with the Industry 4.0 future concept, and as a next step will expand it to include smart services, as well as strengthening projects and measures in the area of green IT.

For this purpose, it is necessary to transfer knowledge from cutting-edge research into specific applications. The knowledge transfer into small and medium enterprises and classic industry should be initialised through centers of competence, model regions and pilot projects.

Alongside the Industry 4.0 future project, we will focus on the areas of intelligent mobility, smart grid, e-health and security, thereby strengthening the position of the German economy in the world market.

To achieve this, cutting-edge clusters and associated projects will be expanded and established. At the same

time, ecological, economic and social sustainability represents important factors.

We will expand the consulting available on digitalisation of existing wealth creation chains in industry and SMEs with regard to factors such as cloud computing and big data. Furthermore, the topics of IT security and defence against commercial espionage should play an important role.

We will orientate research and innovation funding for big data towards the development of methods and tools, establish centers of excellence and bring about interdisciplinary, strategic application projects. We want to continue building on Germany's leading position in the area of ultra-high-performance computing in consultation with the federal states and European partners.

We would like to awaken a new wave of company start-ups in Germany, and establish a culture of the second chance. Our goal in this is to increase the number of company start-ups from 10,000 at present to 15,000 per year over the next few years, on a continuous basis. The application processes should be streamlined for this purpose. Furthermore, we will examine promotional instruments to ensure that they take account of the entire innovation sequence including the possibilities for recovery.

We want to make it easier to found companies: Founding a company should be made more expeditious through simplification of the processes (one-stop agency).

We will facilitate company start-ups in the IT sector and initiate an innovative network for start-ups by business, and support its internationalisation.

In order to allow employees to start up companies whilst still employed, yet nevertheless allowing them to continue drawing a salary without the risk of losing their job, we will introduce the possibility of a "foundation time" similarly to the model of the family care time. We want to develop further tried-and-tested instruments for supporting company founders in cooperation with the KfW. The granting of instruments can in this case be linked to the use of crowd funding. The instrument of the start-up grant should be continued for company start-ups by unemployed people. Furthermore, we will initiate an innovative network for start-ups by businesses which can provide the best framework for young companies and support their internationalisation.



Stock-options models should be developed further and standardised, as well as be made more attractive as a voluntary and supplementary part of remuneration.

Innovative companies need intelligent people. As a result, we must increase the number of IT specialists in our country through education and qualification measures. The chambers of commerce are called upon to develop fair standard contracts for company founders.

It is important for the innovative potential of the digital economy to be strengthened. We want to continue and expand the work that has been initiated by the "Young Digital Economy" advisory council.

We will make Germany internationally attractive as a place of investment for venture capital, and establish an independent set of rules for this purpose (Venture Capital Act) depending on the financing possibilities, in order to improve the activity of venture capital providers amongst other things. In addition, we want to make it more attractive to invest in young companies and young growth companies.

We want to encourage further the use of venture capital through investment subsidies. The funding and financing instruments of the Federal Government, federal states and the EU must be evaluated with regard to their compatibility and adapted if necessary.

As a means of reinvigorating the process of young, innovative and rapidly growing companies to launch on the stock market, we will examine the introduction of a new stock exchange segment, "Market 2.0".

Digital education and research - fair and innovative

An important part of the digitalisation strategy concerns increasing the media skills of young people in order to emancipate them for safe and responsible dealings with the Internet.

We regard the communication of media and information skills to be a central measure of data protection and Internet security for every individual user. The best programs for funding media skills at child day-care centers and schools will thus be evaluated and expanded. Consequently, the guiding principle of "digital independence" is in the spotlight of media skills. We are in favour of a

"Model Project for a Voluntary Digital Social Year", so that young people can place their technical skills and capabilities in the use of new media at the services of voluntary institutions, thereby supporting them in implementing digital projects and communicating media skills. We will support and expand the "A Network for Children" in order to create interesting digital content for children which is of a high quality and appropriate to their age, in cooperation between politics, business and institutions.

The build-up, expansion and coordinated national, European and international networking of open (research) databases, repositories and open-access magazines at research institutions and universities must be promoted as part of a separate programme.

Fundamental research on the Internet and digital society will be strengthened by targeted initiatives for program research and providing corresponding funds, consolidated and institutionally encouraged. An Internet Institute financed from public funds will serve not only as the starting point for an interdisciplinary skills network but should also address the technical and economic, political, legal and ethical aspects of the Internet.

Digital life and work - strengthening rights and opportunities

Digitalisation opens up a variety of possibilities for making people's lives simpler and offering new opportunities in everyday work. For example, digitalisation provides new offers such as flexible working time models in order to establish a work/life balance. We expect the business community to encourage this. We call on the collective bargaining partners to promote teleworking models and expand them accordingly, as well as finding collective bargaining models which strengthen the rights of workers to self-determination in the context of tele-workplaces. We will further extend the availability of tele-workplaces in the civil service.

Public administration and the collective bargaining partners are called upon to strengthen the rights of workers for increased workplace autonomy and a better work/life balance for employees (e.g. regulations regarding times when no contact will be made). Furthermore, we welcome internal regulations reached by companies in this regard. New digital qualification and continuing education tools for companies as well as the civil service will be encouraged and expanded for specific target groups.



More and more companies are using online platforms to attract new employees (e-recruiting). The limits of the private sphere must be respected in this case. Breaching private sphere settings in social networks - or similar platforms - must not be tolerated.

For young mothers and fathers in particular, digitalisation opens up new opportunities for striking a work/life balance, for example, new and more flexible working time models.

In the area of health, we will seize the opportunities of digitalisation and strengthen telemedicine, e.g. as a means of closely monitoring risk patients or the chronically ill. The highest standard of data protection must be guaranteed at the same time. We will prevent sensitive patient data being given to third parties without controls. Bureaucratic and legal obstacles to telemedicine should be removed in order to simplify its application as a general rule. We want to promote the use and development of e-care systems in so-called smart home environments in order to offer technical support to older people in need of care or people with disabilities, so as to facilitate their everyday lives. The electronic health card (eGK) represents another area of focus. The electronic health card should be expanded in order to reduce the bureaucratic requirements on patients and improve communication. The highest data protection standards combined with secure encryption of data are basic pre-conditions to this.

Digital everyday life opens up new possibilities for helping other people. On the net, new forms of citizens' commitment are being established through social networks and neighbourhood initiatives. We will support this development and promote online volunteering projects, e.g. improving cooperation between citizens and the administration (reporting defects, swap shop and offers of voluntary work). We want to award outstanding projects and initiate an exchange of the best examples. In addition, we will initiate and encourage projects which communicate media skills and thereby contribute to overcoming the digital divide (e.g. old age pensioners learn from schoolchildren).

We encourage the development and use of nationwide warning and information systems by means of which citizens can be informed of accidents, risks and catastrophes by SMS, e-mail or an app.

We will introduce systems (such as a central number for emergency SMS messages or an emergency app) and

change the Telecommunications Act (TKG) so people in an emergency situation can identify themselves and request help without having to be called back.

In the digital age, the nature of communication has fundamentally changed and people communicate online using various platforms. We are opposed to a general compulsion to use actual names, because anonymous communication is often not only sensible, but also necessary.

We believe that digitalisation offers opportunities, whilst also harbouring risks. As a result, we want to expand the offers of prevention and consulting with regard to online-based addictive behaviour nationwide, and study the matter academically.

During the coming four years, we can set the course for Germany and Europe to play a leading role in the consistent, socially compatible, trustworthy and safe digitalisation of society and our economy. Through a balanced digitalisation policy, it will be possible to safeguard the future opportunities of our country, potential for democracy and participation as well as remain innovative and competitive in the long term. Germany will become a truly digital society.

5. MODERN STATE, INTERNAL SECURITY AND CITIZENS' RIGHTS

5.1. Freedom and security

Consequences of the insights from the NSU investigation commission

The investigation commission of the German Parliament dealing with the "National Socialist Underground" (NSU), operating on a non-partisan basis, has worked out numerous reform proposals for the areas of the police, justice system and protection of the constitution, for parliamentary oversight of the activities of intelligence services as well as for the future of promoting civil-society involvement against right-wing extremism, racism and anti-Semitism. To the extent that they concern the Federal Government, we will adopt these recommendations and implement them rapidly. To the extent that the federal states are affected, we will dialogue with them in order to work out ways of implementing these recommendations, such as by standardising the procedures of the prosecuting authorities.



We will strengthen the hub function of the Federal Office for Protection of the Constitution (BfV), expand its powers to provide coordination in protecting the constitution and improve the technical analytical capability of the BfV. Mutual exchange of information between the Federal Government and the federal states will permit shared pictures of the situation to be formed.

We intend to achieve better parliamentary monitoring of the intelligence services. We will regulate the requirements for selection and conduct of constitutional protection informants in the Federal Law on the Protection of the Constitution, and permit parliamentary oversight. The heads of public authorities must approve the use of informants. The Federal Government and federal states will keep one another informed about informants who are used.

With regard to the police and the justice system, we will strengthen intercultural skills and increase the diversity of personnel. We will strengthen possibilities for victim support and consulting. When crimes have a racial or anti-immigrant motive, or are of an inhuman nature, the victims of such crimes deserve particular protection by the state; as a result of this, we intend to ensure that such motives are expressly taken into consideration when sentences are passed.

Criminality and terrorism

Prevention

We will combine and optimise measures by the Federal Government to prevent extremism. We combat anti-Semitism and take measures to oppose radicalisation, racist and anti-democratic structures. One of the ways we strengthen prevention is by consolidating programs such as "Cohesion through Participation". When it comes to combatting right-wing extremism and racism, we link civil-society activities with those taken in the education sector and well as in the police and the justice system.

Effectively fighting crime in all areas of society

We will expand the scope of the law relating to regulatory offences to cover punishable actions in the corporate area. We need specific and comprehensible rules to serve as a gauge for corporate penalties. We are examining a corporate criminal code for multinational concerns. We will simplify the law governing asset recovery,

make it more practicable for assets to be temporarily secured and introduce provision for the retrospective recovery of assets. We will introduce regulations in accordance with the constitution reversing the burden of proof in the case of assets with an unclear origin, according to which it will be necessary to prove the assets were acquired legally. We want to make bribery and the acceptance of bribes in the health system a punishable offence.

We want to protect our companies against economic espionage and spying by the competition anywhere in the world, and work out a national strategy for economic protection. We will impose binding requirements on private providers of security services with regard to their genuine and reliable nature.

In order better to combat child pornography on the Internet, we will expand the outdated references to publications in criminal law to include a modern media definition. Furthermore, we will close unacceptable loopholes in the provision of protection and will eliminate evaluation contradictions in the law governing sex crimes. In the investigation of sex and violent crimes, it should also be possible to investigate so-called "near misses" in mass genetic tests providing the participants have been informed in advance of the possibility of the investigation unearthing the culpability of relatives. In order to protect the population against extremely dangerous, mentally impaired perpetrators of violent and sex crimes, in cases where their particularly dangerous nature is only revealed in the course of the criminal act, we will create the possibility of subsequent therapeutic confinement. We will provide a legal basis for the long-term observation prisoners released on licence.

With regard to stalking, it is striking how many prosecutions fail to result in the imposition of a sentence. In the interests of the victims, we will thus reduce the burden of proof required in order for a judgement to be reached. Furthermore, we will take measures to monitor compliance with prevention orders barring contact or approach.

Burglaries are highly unsettling for the general public, quite apart from the material loss involved. To an increasing extent, groups of perpetrators are acting across borders. Not only will we support the preventative measures taken by citizens but we will also combat this everyday criminality through improved cooperation between police authorities a federal state, national and EU level. Security agreements between the Federal Gov-



ernment and federal states may be a means of achieving this.

Rocker clubs provide cover for many diverse forms of serious criminality such as human trafficking and drug dealing. This organised crime can be combatted by withdrawing the privileges enshrined in the law governing associations. For this purpose, we will tighten up the law governing associations, strengthen the consequences of banning rocker groupings and rule out the possibility of such clubs being re-founded in the affected cities and municipalities following a ban. The identifying features of banned rocker groups will not be allowed to be used any further by other groupings within the national territory.

We will improve protection for police officers as well as other emergency service personnel in the event of violent attacks.

Effective criminal prosecution and hard-hitting measures to guard against danger

We intend to make the general prosecution process and the juvenile prosecution process more effective and practical, while complying with the principles of a state governed by the rule of law. A commission of experts will arrive at suggestions on how to achieve this by the midpoint of this electoral period.

By means of a joint procedure followed by the criminal investigation authorities at an early stage, as well as through providing help for children and young people, we intend to prevent children and young people who are at risk of committing crimes from embarking on the slippery slope towards a life of crime. If a young person does commit a crime, punishment should be imposed rapidly. We will strengthen the concept of restitution for the victims of crime in the criminal code for young people.

In order to create an alternative to a custodial sentence and to provide a sanction for people to whom a monetary fine merely represents a minor inconvenience, we will introduce a driving ban as an independent sanction in criminal law for adults and young people. As far as traffic offences are concerned, we will strive to introduce modern measuring methods as a replacement for the blood test as a measure of blood alcohol concentration. A blood sample will be taken if the person in question requests it.

We will evaluate the regulations relating to the leniency program and to plea bargaining. We will examine to what extent public interest in court proceedings can be served by increasing public access to courtrooms. We will improve data exchange between the facilities and institutions involved in the penal system.

We will reform the law relating to criminal incarceration in psychiatric hospitals, in particular by granting more weight to the proportionality principle. We will utilise a working group involving the Federal Government and federal states for this purpose.

In order to support the victims of crimes in asserting their rights for compensation against the perpetrators under civil law, we will promote the imposition of compensation claims in criminal proceedings (summary proceedings) and will make it more practicable for victims to assert facts established by a criminal court within the civil process. People who have lost a near relative due to the culpable actions of a third party will be afforded an independent right to claim compensation in recognition of their mental suffering, and this claim will be introduced into the German system of the right to compensation in damages.

The specifications of the Federal Constitutional Court relating to the counter-terrorism database will be implemented and the ability to analyse the file will be improved. We will specify the regulations on monitoring of source telecommunication surveillance in accordance with the rule of law; one of the objectives of this measure is to assist the Federal Criminal Police office in discharging its duties.

Retention of data

We will implement the EU Data Retention Directive on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks. By doing this, we will avoid the imposition of fines by the European Court of Justice. At the same time, the stored data should only be accessed in the event of serious crimes and following authorisation by a judge, as well as in order to guard against acute danger to life and limb. German telecommunications connection data that is to be called up and used must be stored by telecommunications companies on servers in Germany. At EU level, we will take measures to reduce the storage period to three months.



We will amend firearms legislation in light of technical developments and their practicality. In doing so, the safety of citizens will be afforded the highest priority. We will strive for a new, time-limited amnesty. Furthermore, in order to increase public safety, we will work with the federal states to develop the national firearms register on a gradual basis. We will make criminal and judicial statistics more meaningful. Security research will be coordinated better.

Digital security and data protection

The objective of the coalition is to strike and maintain a balance between freedom and security in the digital world as well.

Cyber crime

We will amend criminal law in light of the digital age – including by concluding international agreements. We will close loopholes in protection and systematise the previously haphazardly regulated provisions for data protection.

We will improve the protection afforded in criminal law against defamation on social networks and in Internet forums (cyber-bullying and cyber-grooming), because the consequences for victims thus defamed in front of an almost unlimited public are particularly severe. It must be made easier to report cyber-bullying and cyber-grooming in social networks.

A central point for reporting phishing and similar offences should improve prevention and facilitate investigations.

IT infrastructure and digital data protection

We will create an IT security law with binding minimum requirements on IT security for critical infrastructures, with the obligation to report serious IT security incidents. For this purpose, we also advocate involvement at EU level as part of the European cyber-security strategy.

In order to protect freedom and security on the Internet, we will strengthen and shape the Internet infrastructure of Germany and Europe as a place of trust. To achieve this, we advocate a European cyber-security strategy and we will take measures to regain technological sovereignty; furthermore, we will support the development of trustworthy IT and network infrastructure as well as the development of secure software, hardware and cloud

technology, and we will also welcome opportunities for national and/or European routing.

We will expand the capabilities of the Federal Office for Information Security (BSI) as well as the Cyber-Defence Centre. We will improve the provision of IT equipment to German security authorities.

In order to protect and safeguard citizens' data more effectively, we will strive for the Federal Government's networks to be combined on a uniform platform referred to as "networks of the Federal Government". We intend to merge IT and telecommunications security.

Federal authorities will be obliged to spend ten percent of their IT budget on the security of their systems.

As a means of re-establishing trust, the standardisation committees must become more transparent. Furthermore, Germany must participate more strongly in this and other international bodies, especially those concerned with Internet architecture and Internet governance.

We will examine to what extent selling out national expertise and know-how in key security technologies can be prevented.

We will initiate a top-level cluster entitled "IT security and critical IT infrastructure".

To guarantee that users are adequately informed of security risks, Internet providers should notify their customers if they see signs of harmful programs or the like. Furthermore, we will strive to establish a secure legal framework for and certification of cloud infrastructures as well as other security-relevant systems and services.

In order to maintain technological sovereignty, we will promote the use of nationally developed IT security technologies by citizens.

The further development and dissemination of chipcard readers, cryptography, De-Mail and secure end-to-end encryptions as well as trustworthy hardware and software must be expanded considerably.

IT manufacturers and service providers should bear liability for data protection and IT security defects of their products.



We intend to breathe life into the basic right to the guarantee of confidentiality and integrity of information technology systems developed by the Federal Constitutional Court. The use of methods for anonymisation, pseudonymisation and data minimisation must become a binding body of rules.

We will expand technology-based data protection (privacy by design) and data protection by default settings (privacy by default).

In order to uphold the basic rights and rights to freedom of citizens in the digital world as well and to promote opportunities for democratic participation by the population in the worldwide communications network, we advocate an international law of the net so basic rights will also apply in the digital world. The right to privacy that is guaranteed in the International Covenant on Civil and Political Rights must be adapted to the requirements of the digital age.

EU General Data Protection Regulation

Negotiations on the EU General Data Protection Regulation must be continued promptly and the regulation approved rapidly in order to guarantee a uniform level of protection for data throughout Europe. The strict German standards of data protection, particularly concerning data exchange between citizens and public authorities, are things that we want to maintain. Europe needs a uniform data protection law for the economy in which all providers offering their services in Europe are subject to European data protection law (Marktortprinzip, the principle under which the law of the country where the market is affected applies). The principles of appropriation, data minimisation and security, reservation of consent, the right to deletion and the right to data portability must be granted in the regulation. With regard to EU regulations relating to cooperation by the justice system and the police, it is necessary to ensure that the data protection level when data is transmitted to other EU countries does not fall below that of the German standard.

With regard to their configuration, it is necessary to ensure that existing refinancing possibilities for journalistic/editorial media are retained, and that the media privilege essential for press and media freedom is effectively designed.

Consequences of the NSA affair

We urge further clarification regarding how and to what extent foreign intelligence services have been spying on citizens and the German government. In order to re-establish confidence, we will negotiate a legally binding agreement on protection against espionage. As a result, citizens, the government and the economy should be protected against unrestricted spying. We will strengthen the defence against espionage. Our communication and communications infrastructure must be made more secure. For this purpose, we will oblige European telecommunications providers to encrypt their communications connections at least within the EU and we will ensure that European telecommunications providers are not permitted to communicate their data to foreign intelligence services.

The coalition is committed to the introduction of a Europe-wide reporting obligation for companies to the EU in cases where such companies transmit data about their customers to public authorities in third countries without their customers' approval. Furthermore, we will urge for the Safe Harbour and Swift agreements to be renegotiated in the EU.

Civil protection and protection of critical infrastructure

We will continue to develop the interdisciplinary framework for civil protection to meet new challenges, and will adapt the performance spectrum as well as the tasks of the Agency for Technical Relief (THW) with regard to protection of critical infrastructure. We will promote and strengthen voluntary work as the basis for civil and catastrophe protection – particularly in view of social and demographic changes. We will strengthen the Federal Office of Civil Protection and Disaster Assistance as the strategic hub of the Federal Government within the complex network of relations between all the stakeholders in civil protection. In view of the potential for harm occasioned by climate change, we will examine the question of introducing mandatory insurance protection against damages caused by natural forces.

We will require cooperation from and impose legal requirements on the operators of critical infrastructure in order to improve resilience and protective measures.

Federal police and protection of our borders

We are now implementing the results of the reorganisation of the federal police in the consolidation phase that



is now required. We intend to strengthen the federal police as a competent and effective law enforcement authority, to maintain a well-qualified and equipped body of riot police and to modernise the resources available to the federal police. We will provide additional funding for more surveillance technology at crime hotspots in the area of responsibility of the federal police.

The further removal of travel restrictions into Europe make it essential to have entry and departure register within the European grouping. We stand for an expansion of international cooperation with neighbouring countries and even better coordination of the work of security authorities in the federative structure.

Dealing with injustice perpetrated by the SED (Socialist Unity Party of Germany)

We will increase the monthly benefits paid to victims of political persecution in the former Soviet Occupation Zone/German Democratic Republic (SED victims' pension). In cooperation with the federal states, we will improve the medical appraisals for SED victims who have suffered impairments to health as a result of their incarceration and who are thus applying for benefit payments.

The coalition will appoint an expert commission which should prepare suggestions by the midpoint of the legislative period regarding how and in what form the tasks of the Federal Commissioner for the Files of the State Security Service of the former German Democratic Republic resulting from the Stasi Files Act (StUG) will be continued, and when this will happen. The coalition will ensure that the pilot project "Virtual Reconstruction of 'Pre-Destroyed' Stasi Files" is continued.

5.2. Modern state, living democracy and participation by citizens

Governing effectively and far-sightedly

The coalition accepts the task of increasing the effectiveness of the government's actions in a targeted manner and, for this purpose, it will work out an interdepartmental strategy for "governing effectively and far-sightedly". Coordinating centers combine the measures within departments and when interdepartmental targets and projects are involved.

We will strengthen the skills and capabilities for strategic forecasting in the ministries, the better to detect opportunities, risks and dangers of medium and long-term developments. We will increasingly use effectiveness analyses during the phase of developing political measures as well as evaluations of existing laws and programs in order to examine their effectiveness systematically.

We intend to improve the targeting and effectiveness of political projects by developing political projects from the perspective and with the involvement of citizens. To achieve this, we will improve skills and capacities in administration so as to make better use of the latest insights from social sciences.

Participation by citizens

Parliament, government and administration will make intensive use of the possibilities for digitalisation and expand interactive communication with citizens and the business community on websites which can be accessed by people with disabilities. We intend to use the potential for digitalisation in order to strengthen democracy. We intend to improve the quantity and quality of information on political decisions and to expand the possibilities for people to communicate in political decision-making. Open, comprehensive and comprehensible information must be provided at an early stage in advance of decisions. Germany will appoint a digital champion as part of the Digital Agenda of the EU Commission.

We will also seek out the expertise and opinion of the population by means of digital participation platforms, as a result of which citizens will be better able to exercise a constructive influence at an early stage.

The involvement of the general public in decision-making processes with relevance to environmental policy will be strengthened without endangering the rapid implementation of planning projects.

Transport infrastructure projects require acceptance and transparency. As a result, we will further improve participation by citizens in the preliminary phase of a planning procedure, to which end we will codify binding quality standards.

We intend to involve citizens and civil society stakeholders consistently in discussions on future projects and the design of research agendas. We intend to develop new forms of participation by citizens and scientific communi-



cation, and to bring these under the umbrella of an overall concept.

We intend to strengthen participation by young people. We intend to create incentives for strengthening local politics which promote participation. Youth welfare committees and youth welfare planning offer launching points for good youth policy. We support voluntary commitment by young people and we want to ensure greater recognition.

Transparent state

We wish to extend digital reporting on the Federal Parliament and its sessions as well as public committee meetings and hearings (e.g. in streams). As soon as possible, we will provide announcements such as printed matter and reports in open data-compliant formats with free licence conditions.

We intend to dismantle legal obstacles in the exercise of electoral law with regard to illiterate people and people under the responsibility of care-givers.

We will increase transparency regarding the use of external persons in administration. To avoid giving any appearance of conflicts of interest, we will strive to achieve appropriate regulations for outgoing cabinet members, parliamentary state secretaries and political civil servants.

We will revisit the regulations regarding classification of paying bribes to members of parliament as a punishable offence.

Modern administration

We intend to achieve a citizen-friendly, digital Germany. A program of "Digital Administration 2020" with binding standards for the comprehensive digitalisation of administration should be initiated for this purpose. With regard to procurement by the Federal Government, we will standardise the processes and digitalise them where possible.

E-government delivers extensive services for citizens and the business community which can significantly simplify the conduct of formalities such as dealing with public authorities. Numerous good and effective e-government projects reveal that there are innovative technical solutions in Germany, although they have not

yet been implemented comprehensively and in a coordinated way.

The Federal Government will propose to the federal states that they should consolidate and coordinate the programs of e-government under the responsibility of the IT planning council. In this case, where possible, technologies will be planned in the long term so there are no dependencies on non-transparent protocols, software, hardware or manufacturers.

When it comes to procurement of IT technology by the public sector, innovation potential and sustainability must be regarded as decisive criteria within the context of the cost-effectiveness principle. During tendering, security standards should be specified and open-source solutions considered if possible.

Data protection and security for communication and offers represent preconditions for the acceptance of public authority services delivered by electronic means. The identification function of the new identity card and end-to-end encryption methods will be applied without fail.

A map of all public services available nationwide, updated on a continuous basis, creates transparency, coordination, obligation, prioritisation and establishes focus; this provides citizens with an overview of corresponding offers. We intend to transfer the idea of a standard public authority phone number 115 onto the Internet (www.115.de), which should offer at least the 100 most important and most frequently used administration services, and be rolled out uniformly nationwide within the next four years.

We will make it more practicable for municipal authorities to accomplish this by offering the best implementation solutions for frequently used administration services, thereby achieving greater standardisation with lower follow-on costs.

On request, citizens should have the opportunity to use a standard master data account, referred to as a citizens' account, as a means of further facilitating communication with the administration. The new electronic identity card should be used for electronic identification. The citizen's account can be expanded into the digital document mailbox.

Consideration will be given to standardising the legal regulations that have so far existed side-by-side regarding the Internet (Internet Code) and, in this context, the



ancillary copyright will be evaluated to examine whether it is achieving its goals.

The first open data projects in Germany reveal the potential for open data. On the basis of law, the federal administration and all its authorities must play a pioneering role in the provision of open data in uniform, machine-readable formats and under free licence conditions. We intend to provide an open data portal for the Federal Government, federal states and municipal authorities. The coalition will strive for Germany to join the international Open Government Partnership initiative.

Civil service

The civil service forms the basis for a smoothly functioning state infrastructure and public service provision. The professional civil service is the guarantor of high performance and independence in administration. In order to secure the base of skilled workers and attract well-qualified young people, we require a recruitment and personnel policy which takes account of demographic change, modern, attractive and family-friendly working conditions as well as staff associations working in a spirit of partnership.

We intend to continue to ensure the performance capability of the civil service by also orienting future entrance requirements more towards practical professional experience or special scientific qualifications that has or have been obtained and, for example, opening access to the higher echelons of the Federal Government to graduates of bachelor degrees with a doctorate or several years of professional experience.

We back the Bonn-Berlin Act. Bonn will remain the second center of federal politics. Modern justice

We want an efficient civil process that is close to citizens. Consequently, we will enable the federal states to set up specialised chambers at the regional courts. Furthermore, we intend to guarantee the neutrality of court-appointed experts and, in cooperation with professional associations, the quality of reports especially in the family-related area. We will further develop the legal foundations for electronic legal services and use of electronic files in the justice system, and monitor practical implementation.

To enable citizens to obtain straightforward recourse for harm they may have suffered due to incorrect conduct

by state agencies, we will reorganise the fragmented situation with state liability law.

We intend to improve the structure of the law of custody and thus provide appropriate strengthening for the right of self-determination of adults requiring care. We will modernise guardianship law.

We intend to strengthen the state's jurisdictional monopoly. We will not tolerate illegal parallel justice. We are convinced that the law and the legal system have the effect of bringing people together and promoting peace. Furthermore, we will continue the initiative for "Law – Made in Germany" and develop it further.

Consequently, we will emphatically promote bilateral dialogue between states under the rule of law. The Federal Government institutionally promotes the Institute for the Enforcement of the Nuremberg Principles in International Criminal Law in Nuremberg.

For tolerance and democracy

In the interests of a lively democracy in our country and our liberal-democratic principles, it is necessary to promote and strengthen civil commitment and democratic behaviour as well as to encourage children and young people to embrace diversity and tolerance; these measures must be taken at municipal or regional level. We motivate and support clubs, projects and initiatives devoted to the promotion of democracy and tolerance and against violence and hatred, xenophobia and anti-Semitism.

Commitment to democracy and rejection of extremism represent tasks for the country as a whole, and require an overall, interdisciplinary strategy.

We will combine and optimise measures by the Federal Government to prevent extremism. We combat anti-Semitism and we take measures against radicalisation. We strengthen prevention by consolidating programs.

Implementing the unanimously decided recommendations by the National Socialist Underground (NSU) investigation commission is one of the important cornerstones in our efforts to combat right-wing extremism in Germany. Confronting and overcoming anti-Semitism, racism, right-wing extremism and other forms of group-focussed enmity are tasks for the Federal Government, federal states and municipal authorities as well as civil society in equal measure.



The funding of existing programs will be assured in the long term and those programs will be developed further on the basis of federal laws, to the extent that legislative powers exist; also, new structural forms will be established in line with the final report of the NSU investigation commission of the German Parliament. We will budget for additional funding. We combat racist and antidemocratic structures by strengthening research and political education.

The Federal Agency for Political Education makes an essential contribution to promoting democracy. We intend to strengthen its work.

6. STRONG EUROPE

Germany's responsibility in European politics

The work of European unification remains Germany's most important task. The expectations of our European partners on Germany have changed over the years. The European Union (EU) is undergoing a historically unparalleled period of economic, social and institutional change and innovation. In this phase of upheaval, Germany must shoulder increased responsibility as an economically powerful member state and anchor of stability, and is met with particular expectations from its partners.

Our country is a founding member of the EU and a trustworthy partner; in this situation, we must play a responsible role within Europe and promote integration. Germany will use and exploit all means at its disposal to reinvigorate and expand confidence in the secure future of the work of European unification. We will undertake all possible efforts to overcome the crisis in Europe and to make a fresh start towards a politically and economically strong Europe with social justice. Solid and sustainably viable finances must be combined with growth and employment, the need for states themselves to shoulder responsibility, as well as with European solidarity and democracy. In order to accomplish all these tasks, the EU requires community institutions that are capable of taking action.

Democratic Europe

Decisions taken in European policy often have a major impact on the living conditions of our citizens. For the sake of trust in Europe and the EU, it is therefore important that democratic legitimacy be strengthened and

for decisions by the EU to be made more readily comprehensible. These objectives demand not only a strong role by the European Parliament but also close integration of national parliaments. The European Commission requires a stringent and efficient body of commissioners with clear responsibilities.

Also, in order for crisis management to be accepted within the euro zone, it is particularly important for it to be embedded in the democratic structures of the EU and in the tried-and-tested interaction between the Commission, Council, European Parliament and the member states. The community method is at the heart of European unification. In areas where some states are making progress with integration, it should be the objective for these policy areas to be brought under the aegis of European treaties as quickly as possible, with the inclusion of all EU members.

The Federal Government supports the introduction of a standardised European electoral law in order to ensure reliable majorities in the European parliament for the stability of legislative processes in the Union. In this regard, an appropriate minimum threshold should be defined for allocation of seats.

Forming a European civil society represents an essential precondition for a vital European democracy. It is especially important for youth policy to be developed further for this purpose. European schools, youth foundations and increasing young people's mobility can contribute to this. In this context, for example, we advocate the establishment of a German-Greek youth foundation. Efforts for reform in Greece will continue to be supported in a spirit of partnership; in particular, the German-Greek Assembly will be continued and developed further.

In order to increase the level of acceptance among citizens for deeper European integration, it is essential strictly to adhere to the subsidiarity principle. According to this, the EU only steps in if and to the extent that actions by the member states would not be adequate. Tasks must be localised where they can best be resolved: at European, national, regional or local level. In addition, it must be possible for legal acts by the EU to be measured against the gauge of the principle of proportionality.

We want to bring about a Europe that is close to its citizens, one which respects local autonomy. Languages and cultures in local and regional areas make a significant contribution to Europe's variety, which is something



that people identify with. We urge the EU to retain the autonomy and the diverse traditions of all member states. Above all, the EU must concentrate on the major tasks of the future. In these areas, we need a strong and democratic EU which acts unitedly.

The way in which the German language is treated in European institutions must reflect its legal position and actual usage in the EU. In practice, German must also be placed on an equal footing with the other two languages for proceedings, namely English and French.

Challenges – Europe's route out of the crisis

We intend to do all we can to ensure that Europe emerges stronger from the current crisis. We are firmly convinced that this will be possible if Europe maintains its integrity and delivers a comprehensive political response to the challenges in the euro zone. The causes of the crisis are diverse: They range from excessive indebtedness of individual European countries, deficits in competitiveness, economic imbalances and defects in the design of European Economic and Monetary Union through to misguided developments on the financial markets.

Growth prospects have brightened recently. However, the crisis has left deep scars and has by no means been overcome as of yet. Unemployment remains intolerably high in many member states, especially among young people. Many small and medium-sized enterprises cannot finance investments. Also, the combination of high debt levels and weak growth mean that Europe's national economies remain vulnerable.

In order for Europe to find an enduring way out of the crisis, there will have to be an extensive political approach combining structural reforms to encourage even more competitiveness, strict, sustainable budget consolidation and investments in future growth and employment, all of which must be undertaken in a socially balanced way.

The goals of further European crisis management must be to overcome the interdependency between private indebtedness of banks and public indebtedness of countries, as well as ensuring that in future the banks bear primary liability for their risks, and not tax payers. Also, the rules for banks and financial markets must be changed in such a way that financial market players can never again threaten the prosperity of states and societies in future. Financial markets must be obliged to con-

tribute towards the costs of the crisis and, ultimately, be led back to their function of serving the real economy.

Furthermore, additional reform measures must be taken to strengthen economic policy coordination, especially in the Economic and Monetary Union. The proven rules of the social market economy must provide the framework for the future of Economic and Monetary Union.

Continued development of Economic and Monetary Union

The crisis in the euro zone laid bare defects in the design of European Economic and Monetary Union. Above all, it was made clear that Economic and Monetary Union needs better and more binding coordination of its economic policy and a more effective budgetary policy in order to establish a long-lasting and successful link between competitiveness, financial stability, the possibility of investing in the future and social balance. Germany will intercede with its European partners for Economic and Monetary Union to be developed in this direction. Community institutions should be involved in economic coordination within their institutional role.

Germany is committed to the common currency. Our goal is and remains to lead a stronger Europe out of the crisis – for a Europe of stability and growth. In this, our principle is: solidarity and personal responsibility go hand in hand. We Europeans have got to build a more powerful economy to face up to global competition.

Improved competitiveness through structural reforms and sustainable investments in the future are Europe's keys to growth. National and European efforts must go hand in hand. We commit ourselves to the rules of the strengthened Stability and Growth Pact. Applying this in a credible manner represents the foundation on which to build a durable and stable common currency.

In order for our actions to be credible, our budgetary and economic policy must be in line with sustainability criteria. As a result, the high national debt ratios of euro countries will have to be reduced. This is one of the lessons from the current crisis. The policy of budget consolidation must be continued and combined with reforms for structural growth and sustainable investments in the future.

Germany remains ready to provide support for solidarity, such as in the form of assistance loans and technical assistance, so as to permit reform policies to be pursued in



the recipient countries for regaining competitiveness and reducing unemployment.

However, the principle that every member state must be responsible for its own liabilities will have to be maintained. Any form of communitisation of national debts would endanger the necessity for aligning national policies in every single member state. National budgetary responsibility and supranational, shared liability are irreconcilable. Assistance loans from European rescue programs must only be granted as a last resort if the stability of the euro zone as a whole is threatened. We want crisis-stricken countries themselves to make a greater contribution to overcoming the crisis, and apply their own funds before receiving assistance loans, which must only be granted in return for strict conditions or reforms and consolidation measures by the recipient countries. They are conditional on a clear plan to guarantee that the debt can be serviced. Furthermore, democratic monitoring of all assistance is of outstanding importance: ESM funds will continue only to be granted subject to the approval of the German Parliament.

The crisis has shown that European corrective measures often take effect too late. In order to avoid future distortions in the currency union, it is therefore necessary for budgetary policies and debt trends to be monitored more effectively, and for economic imbalances in the euro zone to be worked out by the coordinated efforts of all euro member states. For this purpose, we need to make consistent use of the strengthened Stability and Growth Pact and the Imbalance Procedure.

The new rules will only be regarded as credible if they are enforced and monitored consistently. Further measures should be taken to use an EU scoreboard for employment and social development as well as employment and social indicators so these new instruments will be ready for use in the European semester 2014. This greater bandwidth of indicators should allow a broader understanding of social developments throughout the EU.

We want the monitoring of national budget planning by the EU Commission introduced in the two-pack to be expanded into an effective instrument which will enable a national budget legislator to take effective countermeasures itself if there are clear infringements of EU rules. This also includes targets for growth, innovation and employment.

We advocate the euro states concluding binding and achievable, democratically legitimate, contractual reform agreements with the European level that have as their objective the achievement of targets for competitiveness, solid and sustainably viable finances, growth and employment associated with solidarity.

We will adapt the contractual bases for Economic and Monetary Union.

The reforms introduced in euro zone countries particularly affected by the crisis represent an important foundation for delivering sustainable growth both locally and for Europe as a whole. In this regard, it will also be necessary to use the capabilities of the European Investment Bank (EIB) and the EU budget, including resources from the EU Structural Fund, specifically for building up the necessary infrastructure. Furthermore, the opportunities for small and medium-sized enterprises to access credit should be effectively improved. Here too, support can be provided by the EIB working in conjunction with national development banks. This toolkit should enable economic development to be strengthened, employment increased and further fragmentation of financial markets in Europe reduced.

Competitiveness and employment

The internal market is a cornerstone for safeguarding the growth and competitiveness of Europe. It must be able to develop to full effect, and be further deepened. Completion of the internal markets, creation of suitable regulations as well as mutual recognition of educational achievements and qualifications combined with the ability to transfer social insurance within the EU can trigger significant impetus for growth.

It is above all with competitiveness, robust structural economic growth and investments in the future that it will be possible to create new, lasting jobs and secure prosperity. This applies in particular in the crisis-stricken countries of the euro zone where unemployment is much too high and people have often had to experience painful cuts in income during the crisis, in many cases associated with losing their job.

We will advocate a further and consistent development of the policy of budget consolidation and structural reform while taking account of social compatibility, at the same time as supplementing this approach with increased investments in the future for innovation and growth.



We will improve the economic climate further so as to achieve high-quality production and employment with a good income. Intelligent cooperation between the private sector, with its dynamic and high-performance nature, and the state, by establishing the regulatory framework of the social market economy, will contribute to achieving this goal through education and infrastructure. This applies at national and European level, depending on responsibility.

To make Europe able to withstand the future, we will require greater investments such as in infrastructure, renewable energies, energy efficiency, transport, trans-European networks, digital media or broadband provision, education as well as research and development just as much as necessary structural reforms.

We will insist on the Compact for Growth and Employment agreed upon in summer 2012 (to the tune of €120 bn), being implemented with all due emphasis. The Compact for Growth and the Fiscal Pact are equally important components of a policy for sustained growth and solid public budgets. Measures for facilitating small and medium-sized enterprises' access to funding are of particular importance when it comes to stimulating growth and employment. This includes the EIB offering more lending as well as greater use of revolving funds in order to utilise the resources from the structural and investment funds.

The Federal Government will ensure that the EIB makes effective and comprehensive use of the additional funds that have been allocated to it. The flexibility instrument provided in the agreements for medium-term financial planning should be used for investments, growth and employment.

As part of frugal EU budgeting, we advocate that the EU budget be structured more appropriately for the tasks. In view of the review of the multi-annual financial framework in 2016, additional steps must be taken for setting clear priorities in the European budget for growth, employment and innovation.

At European level, the Federal Government will advocate that the pilot phase of the European project bonds be evaluated as soon as possible. By safeguarding project bonds from the EU budget, it will be possible to incentivise additional investments for promoting growth.

Europe is the cradle of the modern industrial society. However, industry has run out of steam in broad

swathes of Europe. The EU has now recognised the importance of industry for sustained growth, prosperity, quality of life and employment as well as the problem of deindustrialisation in Europe. However, it has not yet succeeded in reversing the negative trend. Recognising the importance of a strong European industry, we will work together with European institutions and partners to ensure that the EU will once again be the home of a strong and modern industry in the future. For this purpose, we must and will improve the location-specific conditions for industry on an interdepartmental basis, taking account of industry's international competitiveness in political decisions taken in Berlin and Brussels and paying increasing attention to the cost-effectiveness of our industrial policy decisions.

Factors of particular importance in Europe are: higher private and public investments in research, development and innovation, in good training systems, improved export promotion especially in countries with a low export quota, a modern infrastructure attuned to the needs of industry and a conducive regulatory framework in the European internal market.

The regulatory burden must be reduced at EU level in order to improve competitiveness in Europe. The EU Commission must identify regulatory areas that offer the greatest potential for simplifying and reducing the costs of regulation, especially where these are particularly relevant for small and medium-sized enterprises. We demand specific reduction targets for these areas. At the same time, consumer, environmental and employee protection must be taken into account. Basically, we intend to implement EU regulations one-to-one – this also ensures equality of opportunity in the European internal market.

The transition in energy policy must also be considered in the European context. Only an integrated internal energy market and close coordination between the member states, e.g. by expanding renewable energies and transport networks, will ensure a reliable, affordable and environmentally compatible energy supply so Germany will be able to remain the driving force in a Europe that is a competitive location for business and industry.

The role Europe will play in the 21st century also depends decisively on whether we are able to keep pace with developments in the digital world, set European standards and thereby uphold our European social model. As a result, we advocate a comprehensive European digital agenda which brings together consumer protec-



tion, data protection, innovation, network and information security.

Moreover, a new international legal framework is required for dealing with our data. Our goal is to achieve an international convention for worldwide protection of freedom and personal integrity on the Internet. The improvement to European data protection regulations which is currently underway must be moved ahead decisively. On this basis, we also intend to promptly negotiate the data protection agreement with the USA.

While coordinating our economic policy within the European framework, we will also keep the global dimension firmly in mind. For example, we will push ahead with concluding a free trade agreement with the USA. We will overcome the challenge of increasing global competition between companies and locations by orienting ourselves towards the tried-and-tested principles of our social market economy and assigning a high priority to securing the international competitiveness of our German and European economy. In a rapidly changing world, Europe can only continue to exert influence if it is strong. For this purpose, we also require sustained business activity and high levels of economic and social stability.

German policy towards Europe will take account of the special need to protect culture and the media, particularly with regard to European law making, issues of EU state aid or free trade agreements with third countries. This must also be taken into account and assured in the negotiations on a free trade agreement between the EU and the USA through exemption regulations.

Strengthening the social dimension, creating employment, tackling youth unemployment

Once again, experience from the crisis has taught us that the greatest threat facing people and social stability in Europe is the loss of employment. As a result, the best and, in the long term, only successful way to achieve income security, personal participation, social integration and stability is by overcoming unemployment and creating adequately qualified jobs with lasting competitiveness. Personal responsibility and the private initiative to work and create entrepreneurial labour must be backed up with solidly united support. This is also reflected in the European strategy of solidarity and solidity: Structural reforms by the member states and budget consolidation are, just like investments in the future, an important basis for growth and employment and thus also for the social integration of citizens.

Unemployment among young people has risen dramatically in many European countries as a result of the crisis. These young people, many of whom are well-educated, must not be let down by Europe. Consequently, combatting youth unemployment must be a priority of European policy.

Germany intends to set a good example by implementing the agreed European Youth Guarantee. Successful implementation in all member states requires sufficient financial underpinning so the necessary structures can be set up in those countries that have been hardest hit. We welcome a quality framework for work experience. The Federal Government will advocate verifiable goals for combatting youth unemployment in the European semester. National parliaments and the European parliament should play a role in this.

The funds earmarked in the next European budget for the employment initiative for young people must be utilised as quickly as possible and in any event during the first two years of the coming financial period. If necessary, the financial resources for combatting youth unemployment can be boosted in the course of the already agreed upon reprogramming the European Structural Fund as well as by combining budgetary funds that are still available. We support initiatives for technical assistance in calling for and using the funds. Financing investments in education and training, as well as time-limited employment subsidies through EIB loans and guarantees, are moves we expressly welcome, and we continue to advocate a strengthened combination of EIB loans and European fund resources. Better use should be made of the possibilities offered by the "Erasmus for all" program for dual training.

We will also encourage a common European labour market through better language instruction and by making it more practicable to transfer educational qualifications and social insurance.

We advocate the significant strengthening of mobility and permeability in a common European training and labour market. We will take specific measures to make it easier for qualified young people from other member states to complete their vocational training in Germany or to take up employment in Germany.

With the involvement of the chamber organisations, we also intend to assist other member states to introduce the successful German system of dual training including the Grosses Befähigungsnachweis (certificate of compe-



tence), and to contribute to successful implementation of the European Alliance for Apprenticeships.

In order to create additional apprenticeships and jobs, we advocate joint action by companies, unions and the member states of the European Union. We will apply the experience gained in Germany with the "Training Pact" to this cooperation. Programs should also be expanded for start-up companies – similar to the new business grant in Germany. These programs must be accompanied by extensive consulting.

In view of the primary responsibility of member states for social policy, the EU respects national traditions. Within the European economic and social model, we support the development of shared principles and criteria for combatting wage and social dumping, so as to take decisive measures against distortions of competition which can also harm companies and employers in the internal market.

Europe's workforce must be protected more effectively against exploitation and unethical working conditions. Wherever cross-border economic activity is concerned, workers' rights must not cease to apply at the frontier. We urge examining the introduction of standards for minimum wages which are to be organised and defined on a national basis and would guarantee a high level of employment and fair wages – although with a choice between legislation and collective bargaining agreements.

Equally, it is necessary to ensure that basic social rights under the Charter of Fundamental Rights of the European Union are treated on a par with the market freedoms in the European internal market. Social dialogue between collective-bargaining partners also plays an important function at European level; this should be strengthened further, as should European works councils and co-determination in European companies.

In currently ongoing negotiations on the enforcement directive for the Posting of Workers Directive, we advocate aiming for the high standard which applies in Germany featuring clear liability rules, comprehensive rights of information for public authorities as well as efficient monitoring rights of the member states. Combatting possible misuse must not be rendered more difficult by relaxing the rights to conduct monitoring. Misuse, for example by letterbox companies and sham postings, must be decisively combatted. European posting law should be developed further so the wage level and the working conditions of the particular destination country

apply, i.e. the same remuneration for the same activity. Public service provision, especially public service provision on regional and local level (e.g. water supply) is one of the key tasks required from states. Demographic change and the exodus of population from many rural areas are making it all the more important to take action in this area.

It is necessary to strike a balance between the competition principle of the EU internal market, a functioning community and social balance; only in this way can acceptance by citizens be achieved. The member states, their regions and municipal authorities must retain their ability to shape the tasks that are in the public interest. We will decisively oppose any further curtailment in public service provision by EU policies. National, regional and locale peculiarities in public service provision must not be fatally undermined by European policy.

European foreign and security policy

We want to see a strong and self-confident European Union which plays a major part in shaping the globalisation process, at the same time as decisively advocating safeguarding of peace, freedom and prosperity. Germany will make an active contribution to strengthening confidence in the European work of unification. Trustworthy cooperation between the partners is essential for mutual success. Taking account of the interests of small and medium member states is a constituent element of our European policy.

The credibility of the European Union in its international commitment to human rights depends to a significant extent on the consistency with which the Union itself puts these rights into practice and punishes violations within its territory. On the basis of Article 7 of the Treaty on European Union (TEU), the Federal Government advocates an effective mechanism for respecting democratic standards and the rule of law in Europe, in order to guarantee protection for the values enshrined in Article 2 of the TEU.

The Franco-German partnership is unique in its breadth and depth. Our countries, as strong economic nations, have a special interest in and also special possibilities for significantly promoting European unification and strengthening the prosperity, security and competitiveness of the EU. We will continue to implement the Franco-German Agenda agreed on 22 January 2013 step by step. We intend to deepen our partnership with Poland further and to develop the diverse neighbourly relations.



We will expand the working possibilities of the German-Polish Youth Office and provide a long-term prospect for the youth meeting centers in Krzyżowa (Kreisau) and Auschwitz. We will intensify cooperation with France and Poland in the Weimar Triangle. We intend to expand bilateral initiatives with our central European partners. We will ensure that the German-Czech Future Forum and the German-Czech Future Fund continues beyond 2017.

Expansions and eastward neighbourhood

The expansion of the EU is an active European policy for peace. The EU expansions undertaken to date have been in the interests of Germany and Europe. We support the continuation of this process subject to strict compliance with the accession criteria, and offering the western Balkan states the prospect of acceding. Both Serbia and Kosovo must fulfil the commitments they have entered into. We intend to reduce KFOR gradually in harmony with the security development and bring it to an end. Together with our partners and allies, we will actively push ahead with the rapprochement of the western Balkan states with the EU and NATO. It is important for strict criteria to be imposed and clearly verifiable progress made for EU expansion. The decisive criteria are not only the accession capability of the candidates but also the European Union's capability of absorbing them.

Turkey is of strategic and economic importance for Europe. Furthermore, we have close ties to Turkey because of the innumerable relationships between people in our two countries. We wish to deepen further the relations between the European Union and Turkey, including close strategic cooperation in foreign and security policy issues. We are not just looking at the impressive economic development of Turkey, but also and above all the reform efforts that have been undertaken with regard to the accession negotiations. The negotiation process will continue with the opening of new chapters in the negotiations. Unconditional respect for the values on which the EU is based, such as democracy, the state under the rule of law as well as freedom of religion and opinion is a prerequisite for further process, as is implementation of these values within the country. The negotiations which commenced in 2005 with the aim of accession are an open-ended process that is not automatic in nature and the outcome cannot be guaranteed in advance. The question of EU membership is also under discussion in Turkey. If the EU proves to be unable to absorb Turkey, or the country is unable to comply in full with all the obligations associated with membership, then Turkey will have to be linked as closely as possible to European

structures in a way that allows its privileged relationship to the EU and Germany to be developed further.

It is in the vital interest of Germany and the EU to promote stability, democracy, the rule of law and economic development in other adjacent regions as well. The European neighbourhood policy has proven effective in this regard. Association, free trade and visa relaxation agreements remain the best instruments for the eastern partnership.

The neighbouring countries on the southern and eastern Mediterranean littoral are of strategic importance for Europe. Closer links between these states and the EU can contribute to stabilisation of the region.

A strong Europe in the world

We want the European Union also to discharge its responsibility as a Nobel Peace Prize laureate in the future. In the globalised world of the 21st century, it must shape international policy and, in order to do this, it needs to play a strong, independent role. Following on from the EU summit in December 2013, the Federal Government will take new political initiatives to strengthen and deepen the common foreign and security policy. The European Council should address foreign, security and defence policy issues once a year in general at head-of-state level.

We advocate strengthening the Office of the High Representative for Foreign and Security Policy. The ability of the European External Action Service (EEAS) to act in preventative crisis management and respond quickly in a crisis must be improved. A streamlined EEAS has a functional task, not a predominantly representative one. Foreign policy questions, trade policy as well as development cooperation must be joined up better and coordinated more effectively between the EU Commission and the EEAS.

More than ever before, the European Union needs a strategic discussion about what it can and wants to achieve with predominantly civil means or possibly through military deployments as well. The European Union and its member states can provide valuable assistance in setting up democracy, the systems of a state under the rule of law and capable administration in third countries. This applies in particular in the areas of the police and the justice system.



We advocate increasing engagement between the civil and military instruments of the European Union, and improving Europe's civil and military capabilities of crisis prevention and conflict resolution. Armed forces planning in the European Union and the North Atlantic Alliance must be more closely harmonised. Duplications must be avoided. NATO and EU capabilities must complement one another.

We want joint European deployments for upholding and reinforcing Europe's security to be predominantly carried out within our geographical neighbourhood. Deployments outside this neighbourhood should increasingly be transferred to regional partners and organisations, such as the African Union (AU), the Economic Community of West African States (ECOWAS) or the Gulf Cooperation Council (GCC). These and other regional organisations, as well as reliable local partners, must be supported in taking over responsibility.

OSCE and Council of Europe

We want to strengthen the OSCE. In consultation with its OSCE partner nations, especially Poland and France, the Federal Government declares that it is prepared to bear greater responsibility in the OSCE. We want the Council of Europe and its organs to concentrate on their core expertise as guardians and preservers of elementary fundamental and human rights. We want to work intensively in this direction.

7. RESPONSIBILITY IN THE WORLD

Reliable partner in the world

Germany lives up to its international responsibility. We want to play an active part in the world order. In doing so, we will be guided by the interests and values of our country. Germany acts worldwide to advocate peace and security, a just world order, realisation of human rights and the validity of international law as well as sustainable development and combatting poverty.

We are prepared to be called on if our country is expected to contribute to crisis and conflict resolution. In this context, our primary means of action would be those of diplomacy, peaceful conflict resolution and development cooperation.

We stand for reliability and upholding alliances. We want to be a good partner in shaping a just world order.

Strengthening the transatlantic partnership and NATO

Transatlantic cooperation is of fundamental importance both for Europe and North America. The transatlantic partnership is based on a foundation of shared values and interests, and today therefore holds the key to freedom, security and prosperity for all. Wherever trust has been called into question recently, it must be restored. For this purpose, we expect a clear commitment and corresponding measures by the US administration. We want to define the rules that apply to the conduct between partners more clearly, and we strive to achieve credible and verifiable agreements to protect the private sphere of our citizens.

The planned free trade agreement with the USA is one of the central projects for deepening transatlantic relations. We want negotiations to be brought to a successful conclusion, without the treaty comprising parliamentary oversight and legal protection. Our objective in this is for existing obstacles in transatlantic trade and investment relations to be dismantled as extensively as possible. Allowance of justified exceptions must form part of the agreement for each treaty partner. We will place value on safeguarding the standard of protection in the European Union, especially in the area of data protection, European social, environmental and foodstuffs standards, the protection of consumer rights and public service provision as well as culture and media.

We commit ourselves to NATO and to its new strategic concept. The transatlantic alliance remains the central foundation of our security and defence policy in view of new risks and threats in a globalised world. It is the organisation in which the transatlantic partners consult on and coordinate their strategic security policy agenda on an equal footing. We play an active role in the alliance and, in doing so we also advocate the links between North America and Europe remaining on a firm basis and being deepened. In the future too, Germany can be relied on to shoulder its fair share in the alliance. Together with our NATO partners, we will consistently implement the decisions taken in Chicago regarding the strategic reorientation of the alliance.

We support defence cooperation on the basis of the Smart Defence Initiative for joint planning, procurement and provision of military capabilities, and retaining the interoperability of the armed forces in the alliance. Ger-



many as a framework nation is prepared to contribute to delivering capabilities for the alliance together with other NATO partners.

We want to continue making use of the instrument of the NATO-Russia Council and to strengthen the strategic value of this body. Particularly with regard to the withdrawal of ISAF troops from Afghanistan, it has been shown that cooperation between NATO and Russia is possible and in the mutual interest. This positive experience should also be used for security policy challenges such as discussions on establishing NATO rocket defence. The Federal Government commits itself its commitments made under the alliance policy and will make its contribution to establishing NATO rocket defence, which is something we need for effective protection against the threat of rockets possessed by risk states. At the same time, the Federal Government will work with its NATO partners to search for joint and cooperative solutions that will not lead to new tensions and arms races.

Open dialogue and broader cooperation with Russia

Germany and Russia are closely linked together by an eventful history. Russia is the largest and most important neighbour of the European Union. A modern, economically strong and democratic Russia is in the interests of both Germany and Europe. We want to expand the modernisation partnership to further areas in order to achieve social, political and economic progress. To accomplish this, we will talk frankly with the Russian leadership about different attitudes to a modernisation partnership.

We welcome and support the variety of efforts towards broadening and deepening relations at state and civil society level. We strive for the further development of the Petersburg Dialogue. Furthermore, we want to bring about new forms of social dialogue with Russia and to intensify bilateral contacts with representatives of the new Russian middle class and civil society. Russia is called upon to adhere to the democratic standards of a state under the rule of law to which Russia has also entered into international commitments. This also applies to compliance with WTO obligations.

We strive for further liberalisation of visa regulations for entrepreneurs, scientists, civil-society stakeholders and students. We want to place Germany's expertise relating to Russia and Eastern Europe on a solid foundation. To

achieve this, we want to strengthen scientific and analytical expertise pertaining to this region.

Within the European Union, we will advocate greater coherence in policy towards Russia. We are also continuing to pursue the objectives of a new partnership agreement between the European Union and Russia, expansion of Baltic Sea cooperation as well as strengthening cooperation in foreign and security policy. In addition, deepening the trilateral dialogue between Germany, Poland and Russia occupies a key role. In shaping our relations with Russia, we intend to take account of the justified interests of our common neighbours.

Security in and for Europe can only be achieved with Russia, and not against it. At the same time, we intend to work together with Russia above all to move ahead with resolving conflicts in our common neighbourhood, and we expect progress to be achieved in the Transnistrian question above all else.

New impetus for disarmament and arms control

Disarmament and arms control policy are an important element in German foreign and security policy. Arms control, disarmament and non-proliferation make significant contributions to peace as well as to our security and stability. We stand for general and worldwide disarmament and arms control, for both conventional weapons and weapons of mass destruction.

Together with our NATO partners, we set ourselves the objective at the Chicago summit of creating the conditions for a world without atomic weapons and, up to that point, reducing the role of nuclear weapons. As long as atomic weapons continue to play a role in NATO's strategic concept as instruments of deterrence, it is in Germany's interests to participate in strategic discussions and planning processes.

The Federal Government will advocate negotiations between the USA and Russia on verifiable, total disarmament in the sub-strategic category, and will committedly support corresponding steps by both partners. Successful disarmament discussions create the preconditions for the tactical atomic weapons stationed in Germany and Europe to be withdrawn.

At the same time, conventional disarmament and arms control in Europe requires new political impulses. Quite apart from the Treaty on Conventional Armed Forces in Europe (CFE), we will advocate the modernisation of



arms control architecture in Europe on the basis of verifiable transparency. We intend to support the open-sky agreement with a German observation platform.

Internationally, we advocate the UN small arms treaty and its implementation in adequate national control mechanisms. In future, all small and light weapons traded and carried in the non-governmental sector in Germany, as well as those intended for export and covered by the UN Programme of Action on Small Arms, should be provided with a mark that is as indelible as possible in order to allow them to be traced. We also intend to push ahead energetically with global implementation of the international Arms Trade Treaty (ATT).

Germany will support regional agreements on zones free of weapons of mass destruction. By adopting a joint EU standpoint, we want to contribute to the success of the upcoming Review Conference of the Treaty on the Non-Proliferation of Nuclear Weapons in 2015.

The use of chemical weapons in Syria has clearly shown that further efforts are needed in order to make progress on the global validity of the Chemical Weapons Convention (CWC) with new initiatives. Exports of dual-use-capable chemical substances and systems to non-CWC states must be subjected to particularly strict controls.

United Nations, global dialogue and strategic partnerships

The United Nations plays a key role in keeping the peace and tackling global challenges. By new initiatives which we will coordinate with our European partners, we intend to make our contribution to renewing and further developing the structures of the United Nations, including a reform and expansion of the Security Council. Germany stands ready to take greater responsibility at United Nations level, including taking a permanent seat on the Security Council. We will strive for a permanent seat for the European Union.

In order to discharge its peacekeeping tasks, the United Nations requires appropriate resources for its peacekeeping missions and the political missions of the world organisation, in order for effective multilateral peace policy to be conducted.

We strive for an effective personnel concept for recruitment to positions of leadership in the United Nations. For this purpose, we will also upgrade the interdepartmental

coordination of UN policy. We will strengthen the UN site in Bonn.

Further development of international law must help the United Nations to make a more effective contribution to the worldwide implementation of freedom and human rights. The concept of responsibility to protect requires further elaboration and legitimate implementation in international law. This primarily concerns strengthening the preventative pillar of responsibility to protect internationally.

The coalition recognises the key role played by women both in preventing and settling conflicts. It will gradually implement the national action plan for implementing UN Security Council Resolution 1325 in close consultation with civil society.

We want to develop our commitment to security and peace in the non-European area consistently as well, through strategic partnerships.

In 2015, Germany will once again take over the presidency of the G8. In addition to this, we will committedly pursue cooperation with the G20 partners. We will continue with the "International Germany Forum".

Middle East and the Arab world

We commit ourselves to Germany's special responsibility towards Israel as a Jewish and democratic state, and its security. Israel's right to exist and its security are non-negotiable for us. In 2015, we will celebrate the 50th anniversary of the adoption of diplomatic relations with the State of Israel. The Federal Government intends to mark this anniversary appropriately.

Germany and Europe have a significant interest in peace and stability in the Middle East. Our goal is a two-state solution with a State of Israel within recognised and permanently secure frontiers as well as an independent, democratic and viable Palestinian state, living side by side in peace and security.

We support the transformation processes in those Arab states in which there are signs of positive development towards democracy and social pluralism. We want the transformation partnerships that have got underway to be continued. Dealing with the particular opposition, granting elementary basic rights and freedoms including the right to religious freedom as well as the existence of a free press and media landscape are, for us, decisive



criteria for providing support to these countries. Religious minorities must be able to practise their beliefs freely and be protected against violence. The judgement against Konrad-Adenauer-Stiftung staff and sentences of several years of imprisonment must not be allowed to be upheld. The German-Egyptian Declaration of January 2013 must be valid. German political foundations must be allowed to work freely in Egypt.

We observe with great concern that the situation for Christians and other religious and ethnic minorities in North Africa and the Middle East has changed for the worse after the fall of authoritarian regimes. For this reason too, we will work as hard as possible to support the development of pluralist societies in which religious freedom is guaranteed and implemented. Christians must have a future in this region.

Germany, together with its partners, will play an active part in finding a political solution to the conflict in Syria. Together with the international community of states, we will continue to apply pressure on the regime in Damascus for the commitments that have been made to be honoured in full. We observe with concern the growing influence of Islamist forces. We want to help relieve the suffering of Syrian refugees and displaced persons in the bordering countries, and we continue to advocate humanitarian access by aid organisations within Syria. Together with the UNHCR, we will advocate other EU member states taking a joint European initiative for the reception of Syrian refugees.

We call on Iran to dispel any doubts about the exclusively peaceful character of its atomic program. If Iran were to possess nuclear weapons, it would pose a threat to the entire region and beyond, and would seriously undermine global efforts for disarmament and non-proliferation. To avert the danger of Iran developing the capability of manufacturing nuclear weapons, we are acting within the negotiating group of the United Kingdom, France, Germany, the USA, Russia and China, (E 3 plus 3) to support all efforts towards a diplomatic solution to the Iran conflict. We will adhere to the "twin-track" in this case. The international community's policy towards Iran is based on offers of cooperation and targeted sanctions, and has resulted in movement in the negotiations which were previously stalled. Our goal is to win back Iran as a trustworthy partner on the international stage.

Asia

We intend to intensify further our relations with the states of Asia on the basis of universal values. We intend to use the increasing orientation of American foreign policy towards the Asia-Pacific region as an opportunity as well, and we will also contribute towards giving priority to the policy of cooperation and reconciliation of interests over a policy of confrontation.

Friendship with Japan is an important cornerstone of German foreign policy. We welcome ongoing negotiations on concluding a free trade agreement between the European Union and Japan.

China is a strategic partner of Germany and the EU because of many shared interests. We will further intensify our diverse political and economic cooperation as part of our regular governmental consultations. We advocate respect for the constitutional rights guaranteed in China, such as guaranteeing the universal human rights of all citizens. Protection of intellectual property and our cyber-security should be improved. China is called upon to make a contribution to international conflict resolution under the aegis of the United Nations, in line with its economic and political importance.

India is our strategic partner. We intend to expand political, economic and civil-society cooperation. Our regular governmental consultations also serve this purpose. We support the negotiations between the EU and India for a free trade agreement.

Afghanistan

Our security policy commitment in Afghanistan will change after more than ten years. Through interdepartmental commitment, we will strive for a stable future for Afghanistan. ISAF's combat mission in Afghanistan is to be concluded by the end of 2014; military capability for action must be retained up to that date in order to safeguard the withdrawal. People in Afghanistan and the international community can rely on us standing by our commitments – particularly with regard to civil assistance, which will be the focus of our commitment to Afghanistan. At the same time, we want to achieve the best possible protection for our civilian personnel. Local Afghans who have worked for us in Afghanistan and who find their safety and lives under threat at the end of the mission should be offered integration in Germany together with their families.



The coalition stands for appropriate involvement by Germany in an advisory mission under NATO leadership, assuming that the human rights preconditions and involvement by our partners are assured.

Africa and Latin America

We want to pay greater attention to the growing importance of Africa and its increasing personal responsibility, and expand the possibilities for cooperation. Germany has a particular interest in the countries of Africa being able to resolve their regional problems themselves. As a result, we will support efforts for strengthening sub-regional and interregional cooperation. We aspire to cooperation and working as equal partners by strengthening the institutions of our African partner countries, promoting the private sector and focussing our policy on good governance. We will continue to support efforts to create a security structure within the framework of the African Union, and we will take part in peace initiatives under the United Nations and the European Union.

The strong partnership between Germany, the EU and Latin America is based on mature political, cultural and economic relations characterised by shared values and interests. We want to deepen these traditional communalities and links. We want to expand our strategic partnership with Brazil.

Together with all Latin American states, we want to make progress on urgent global challenges. We want to use the economic opportunities for mutual benefit and in order to expand economic relations further, promoting investments and trade.

We will make our contribution to strengthening the cross-border networking between science, research, education and culture. At the same time, we want to focus in particular on those countries which share our values.

Cultural relations and education policy

Cultural relations and education policy remains the third pillar in Germany's foreign policy. The available resources should be applied to promoting dialogue between cultures and preventing crises in the broader sense, as well as for communicating values of freedom, democracy and human rights. Cultural exchange and German cultural institutions such as the German Archaeological Institute, the Goethe Institute, the German Academic Exchange Service (DAAD), the Humboldt

Foundation as well as German schools abroad and scientific cooperation play important bridging functions in this regard. The Goethe Institute in particular will receive adequate funding for its program and language work, and it remains – like German schools abroad – a firm component of foreign activities by the Federal Government.

Through our cultural relations and education policy, we want to communicate a positive and realistic picture of our country abroad, stimulate interest in the German language and culture as well as promote Germany as a location for business, science and innovation. Communicating and promoting the German language abroad is a particular task of cultural relations and education policy. We will expand international educational cooperation in schools and universities, strengthen successful scholarship programs and take account of increasing foreign interest in the dual training system; the measures to achieve this will also include vocational training opportunities at German schools abroad which will continue to operate for the common good.

We ascribe particular importance to dialogue with the Islamic world in our cultural relations and education policy. In this context, it is in our interests for moderate forces to be supported in their striving for democracy and the rule of law. Decisive commitment against any form of anti-Semitism is also a characteristic of our foreign policy.

Europe is also a cultural project. Germany, with its intermediary organisations, bears particular responsibility for a common European cultural area.

The coalition commits itself to the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage. It will also take the initiative to join the UNESCO Convention on the Protection of the Underwater Cultural Heritage.

Political foundations

Political foundations make an essential contribution to international dialogue, and thus also strengthen the prestige of the Federal Republic of Germany. We want to support the international work of political foundations in future as well and provide the legal basis for it. At the same time, we want to strengthen new regional centers of emphasis by providing the corresponding resources.



Shaping foreign and security policy on an interdepartmental basis

The coalition commits itself to strengthening interdepartmental cooperation in the context of an effective foreign and security policy, because civil and military instruments must supplement one another to make the policy successful. We think and act in a networked way in foreign and security policy. Development cooperation represents an integral part of the concept for early crisis identification, crisis prevention, fighting root causes and conflict management. Civil crisis prevention is particularly important, and we will be strengthening and developing its structures further.

We will expand funding for peace and conflict research over the coming four years. The existing German institutions for peace building and peace research, such as the Centre for International Peace Operations (ZIF), the Civil Peace Service, the Federal Academy for Security Policy and the German Foundation for Peace Research, have proven effective and should be more actively involved in policy advice.

We will take specific measures to encourage German civil servants, judges and public prosecutors to participate in foreign deployments. We want to improve the legal, organisational and financial prerequisites for police officers to take part in peace missions. To this end, the Federal Government and the federal states will negotiate a comprehensive Federal Government/federal states agreement during the next legislative period in order to take account of our joint responsibility.

Our soldiers, police officers, diplomats, development and reconstruction helpers deserve our thanks and our recognition. They deserve our particular support.

Reorientation of the Bundeswehr (German Armed Forces)

We commit ourselves to a strong defence with modern and high-performance armed forces. The Bundeswehr has proven itself as an army in democracy and for democracy. The central model of Innere Führung (military leadership and civic education) and of the soldier as a uniformed national citizen continues to characterise service in the Bundeswehr and the Bundeswehr's commitment to peace and freedom worldwide. The Bundeswehr is an army in action. Its reorientation reflects the changed security policy challenges of the 21st century.

We will consistently continue with this reorientation and bring it to a successful conclusion.

Implementation is associated with significant adaptation processes for the Bundeswehr as a whole. Members of the Bundeswehr and their families require predictability and security for planning. Existing medium-term financial planning forms the basis for this. We will hold to all the decisions taken, particularly with regard to the security needed for planning by soldiers and employees. Wherever there is need for a modification to the ongoing evaluation of the reorientation up to the end of 2014 at the latest, we will make the corresponding course corrections.

Also, in implementing next steps, we will pay strict attention to efficiency, functions, attractiveness and nationwide presence. The number of military personnel, defined as up to 185,000 soldiers, corresponds to the requirement for a high-performance task and mission-oriented Bundeswehr and the role of Germany in comparison with our European partners. We want to evaluate the area of civilian employees on a task-specific basis. A further reduction in the number of personnel in the Bundeswehr offers no prospects.

Attractiveness

It is important for serving in the Bundeswehr to remain attractive. We will push ahead with an attractiveness campaign: We advocate greater family friendliness, especially the build-up of childcare, if necessary in consultation with municipal authorities. With regard to the high number of commuters, we strive for deployments close to home where possible. Furthermore, we will make it possible on a permanent basis to select between payment of a separation allowance and a commitment to paying the removal costs. The reorientation means that departments involving military and civilian personnel working together are the norm. We will adapt the Law on Institutional Representation of Soldiers accordingly. We strive for regulations to reconcile the special conditions of the soldier's profession, ensuring mission readiness and the work/life balance. We want to design the retrospective insurance for regular soldiers after leaving active service so they do not suffer from any disadvantages with regard to their social security. The coalition will revoke the applicable limits on supplementary income for retired soldiers subsequently working in the economy.



In the middle of society

We urge increased understanding for the special aspects of the soldiering profession, thereby ensuring broad recognition for service in the armed forces. Solemn swearing-in ceremonies, for example, are an expression for how the Bundeswehr is anchored in democratic society. The coalition supports continued dialogue by the Bundeswehr in and with society. We want to bear joint responsibility for our veterans. This also applies to care for the wounded and disabled, and dignified memorials for our fallen and dead soldiers. Young officers do important work in providing information on the Bundeswehr's mission. We welcome as many educational institutions as possible taking advantage of this offer. We regard it as a matter of course that the Bundeswehr should have access to schools, universities, training shows and similar forums.

The new voluntary military service has proven effective. The terms of enlistment that are currently possible for voluntary military service will be examined and adapted if necessary. The coalition recognises the value of the reserve for fulfilling the Bundeswehr's mission, as a link and mediator between the Bundeswehr and society. Regional security and support personnel will be appropriately resourced for their tasks in the area of civil/military cooperation. As a means of increasing the attractiveness of service in the reserve, we are examining whether to adapt and simplify remuneration, for example, pension provision. We will specifically promote the ability to reconcile service in the reserve with advancement in civilian professions. The civil service must set an example in this regard.

Prepared for future missions

The Bundeswehr will also be required in foreign deployments in future. This calls for a broadly-based spectrum of military capabilities. To the extent that it is sensible and possible, we advocate common use of national military capacities within the EU framework (pooling and sharing), as well as for greater task sharing. This also applies to corresponding NATO activities (smart defence). The approach to this could be the partnership of dependency or the concept of the framework nation in which countries establish groups for mutual support. Together with our alliance partners, we want to reinforce skills that are inadequately developed and to increase sustainability. We strive for an ever-closer association of European military forces which can develop further into a European army with parliamentary oversight.

The Bundeswehr will remain a parliamentary army in future as well. Parliamentary involvement in deciding on the Bundeswehr's deployment has proven effective. It forms the basis of the broadly based anchoring of the Bundeswehr and its missions in society. The requirement for parliamentary approval is not a weakness of Germany, but a strength. We want parliament to participate in decisions about deployments of German soldiers, including with regard to greater cooperation and division of work with our partners. Increasing involvement by German soldiers in integrated structures and staffs at NATO and EU level must be reconcilable with the requirement for parliamentary approval. As a result, we want a commission to begin work and report back within one year regarding how parliamentary rights can be safeguarded in spite of progressive integration of the alliance and increasing diversification of tasks. Based on this, the commission will formulate possible actions.

Missions by the Kommando Spezialkräfte (KSK), the German army's special operational forces, are always associated with an increased risk for our special forces and are subject to secrecy. We will ensure that parliament is informed of KSK missions in the tried-and-tested form.

Equipment, procurement and use

Our soldiers need the best possible equipment. Their safety is of central importance. The Bundeswehr purchases what it needs, and not what is offered to it. The state has the right to expect that ordered military equipment will be delivered according to contract, on schedule and in accordance with agreed prices and quality. Contractual relations with industry must be crystal clear. Latest experience with large-scale equipment shows that project monitoring and controlling must be improved at all levels. The restructuring of the procurement process that has been initiated as part of the reorientation must be carried out through to completion. Information for the Defence and Budgetary Committee of the German Parliament on the particular situation in development and procurement of equipment and material will be improved.

Germany has a fundamental interest in an innovative, high-performance and competitive national security and defence industry. We advocate retention of selected key technologies and industrial capabilities, especially also in small and medium-sized enterprises. We aspire to increased European and European/Atlantic armaments cooperation which implements specific equipment and pro-



curement projects according to the same standards for all nations. The European Defence Agency plays a key role in this.

One precondition for improving military cooperation in the EU and in NATO is for uniform standards in the certification and approval of military equipment. This applies in particular to military aviation. Germany will set a good example in this regard: a uniform military aviation authority will be established from early 2014 onwards.

Even today, unmanned aircraft are playing an important role in the Bundeswehr's mission in Afghanistan where they are used for reconnaissance and protecting our troops. In future too, the Bundeswehr will rely on capabilities such as these. The coalition will push ahead with European development of unmanned aircraft. Europe quickly needs a common body of rules for its approval and participation in European air transport. The coalition will continue with the corresponding initiatives to this end.

We categorically refuse to participate in extrajudicial killings by armed drones in contravention of international law. Germany will advocate the inclusion of armed unmanned aircraft in international disarmament and arms control regimes as well as the condemnation under international law of fully automated weapon systems which involve the decision on use of the weapon being taken out of human hands.

Prior to reaching a decision on whether or not to procure weapon systems with new qualities, we will carefully examine all questions relating to international and constitutional law, security policy and ethics. This applies in particular to new generations of unmanned aircraft which possess extensive combat capabilities above and beyond reconnaissance.

Protecting the state monopoly on the use of force

The outsourcing of military tasks to private companies that is observed to an increasing extent in foreign deployments by international armies does not represent an option for us. The Bundestag gives the Bundeswehr the mandate to conduct foreign deployments, including the use of military means if required. Military tasks are not allowed to be transferred to private companies.

Within the OSCE, the Federal Government will advocate the inclusion of private military security companies in

national reporting under the OSCE Code of Conduct on Politico-Military Aspects of Security.

Protection and promotion of human rights

Human rights are inalienable and universally applicable. We advocate their protection and promotion both domestically and in foreign relations. Violations against human rights not only undermine the dignity of the persons affected, but can also threaten peace and international security. Our goal is to pursue a policy that is consistent and coherent in terms of human rights. It is founded on the Basic Law, European and international conventions on human rights as well as international humanitarian law. We support the new strategy of the EU human rights policy.

We will continue in our consistent commitment towards worldwide abolition of the death penalty as well as the prohibition of torture. Together with the federal states, we support the work of the National Agency for the Prevention of Torture.

Human rights of women and children are particularly at risk. We combat all forms of human trafficking, slavery, organ trading, forced prostitution and forced marriage, genital mutilation, "honour" attacks as well as other inhuman practices. We want to improve opportunities for children to live a dignified life. Children require nutrition, education and medical care. We support all efforts to prevent them from being misused as work and sex slaves or as soldiers.

We stand for religious freedom as a basic human right. This also applies to the right not to belong to any religious community and to change religion. Solidarity with disadvantages and suppressed religious minorities is one of our particular concerns. In many countries in the world, Christians in particular are oppressed, persecuted and displaced. Religious conflicts often go hand-in-hand with social and economic tension.

Internationally, we advocate freedom of the press and freedom of opinion as an important foundation for a liberal and democratic society. We support and protect courageous defenders of human rights and we encourage the forces in civil society which need our help.

We condemn homophobic tendencies and encourage civil societies that live in tolerance.



At the United Nations, we advocate global condemnation of displacement and the expansion of World Refugee Day to include commemorations of the victims of displacements. The majority of refugees in the world are internally displaced persons. As a result, we encourage the dissemination and implementation of UN guidelines for internally displaced persons so these people will also benefit from protection and humanitarian assistance.

We advocate for more importance being ascribed to protecting human rights and strengthening of human rights instruments at the United Nations. We want the UN Human Rights Council to take credible global action against human rights violations. We campaign in favour of the work of the International Criminal Court (ICC), and we support its function as an independent organ of global criminal justice. We decisively oppose efforts to weaken the European Court of Justice for Human Rights. The Federal Government will play an active part in the further development of international humanitarian law.

We will insist that transnational companies comply with social, ecological and human rights standards. The ILO Declaration on Multinational Enterprises and Social Policy, the OECD guidelines and the UN Guiding Principles on Business and Human Rights define the framework within which this takes place. We will implement the UN guiding principles at national level.

The German Institute for Human Rights should be put on a stable footing on the basis of the "Paris principles".

Humanitarian aid

We will place more emphasis on humanitarian aid in accordance with its growth in importance. We will strengthen international humanitarian principles, among other things by implementing the "European Consensus on Humanitarian Aid". At EU level, we will advocate the continuing independence of organisations responsible for humanitarian aid. We want to align our humanitarian aid with the level of need and also pay attention to people in crisis areas which do not feature in the public consciousness.

To prevent natural disasters, we will place significant emphasis on early warning systems, disaster precaution and disaster risk reduction, and we commit ourselves to developing international instruments for the increasingly important topic of climate refugees.

Economic cooperation and sustainable development

The objective of our development policy is to defeat hunger and poverty worldwide on the basis of our values and interests, and to strengthen democracy and the rule of law. We advocate peace, freedom and security, respect for and observance of political and social human rights as well as conservation of the environment. We encourage the establishment of a socially and ecologically-orientated market economy, good governance and participation by civil society. Our development policy provides assistance for self-help. We understand development policy also as global structural policy, and we want to make globalisation sustainable and fair for all people. Development policy has a preventative character, and is thus also a forward-looking peace policy. We orient ourselves towards the millennium goals and their further development as part of the post-2015 development agenda.

Shaping the general conditions

We advocate protection of global public property and fair world trade conditions. As a result, we are striving in particular for a development-oriented completion of the WTO world trade round and a fair balance of interests with developing countries. This must also apply to the worldwide agricultural trade.

We want to improve working conditions in developing countries. We advocate binding, internationally recognised minimum human rights, ecological and social standards such as the ILO core labour standards. As a result, we advocate the adoption of these standards in EU trade agreements.

In the period after 2015, we will strive for sustainable development goals (SDG) that are designed for broadly-based, inclusive and low-carbon growth which makes sustainable use of resources. We want to play an active role in further developing the millennium goals into universal development and sustainability goals.

Development policy should feature prominently on the negotiating agendas of the G8 and G20 summits. We will ensure that commitments to development policy made at summits can be implemented faster in future.

We want to improve the German development institutions further with regard to the efficiency concept. Cooperation between the German Society for International Cooperation (GIZ) and the KfW development bank



should be intensified. We want to improve development-oriented, interdepartmental cooperation. We will gauge our contributions to multilateral development organisations according to their effectiveness and performance; we want to evaluate these factors. In this regard, we will use bilateral and multilateral instruments in a flexible way according to their comparative advantages. Where the general conditions are in place, such as effective and transparent control over the application of funds, budgetary assistance can be an instrument for increasing self-reliance.

Sustainable financing

We will keep to the target of providing 0.7 percent of gross national income for public development cooperation. We will approach this target by annual increases in the funding available for development cooperation in the framework of the federal budget. We want to lead Germany further along a financing path towards the 0.7 ODA (official development assistance) target.

Germany will be a reliable partner in the world for commitments made in the international arena. Together with our international partners and with scientific support, we will develop proposals for further development of the ODA concept. We want to ensure that ODA funds are used according to their purpose. We stand by the obligations entered into at Copenhagen. The expenditure associated with this should be distributed fairly between the departments.

Thematic priorities

As part of the basic alignment of our development cooperation, we will promote agricultural development in particular. We oppose irresponsible speculation involving foodstuffs and we want to implement the voluntary guidelines of the United Nations Food and Agriculture Organisation (FAO) on responsible land use. For us, international commitment to ensuring world food security and the right to nutrition are of central importance. As a result, the Federal Government will cooperate objectively as a reliable partner in international organisations such as the FAO.

Health forms the basis for sustainable development. The Global Fund plays an important role in this, and should be reflected in the Federal Government's policy. We want to provide assistance in setting up fundamental social security systems as a safeguard against the risks of

life. This also includes establishing functional and equitable tax systems.

We want to make equality between men and women and upholding the rights of girls and women into features of all German development cooperation.

Education is the key to sustainable development. We want to create proper education and training prospects for women and men, girls and boys alike. Inclusion of people with disabilities should be firmly anchored in development cooperation and put into practice more systematically.

We will focus on protecting the natural environment, such as measures for climate protection, including an efficient and renewable energy supply, forest protection and safeguarding biodiversity. Developing countries must be supported in adapting to climate change and its consequences.

We support measures for civil crisis prevention, non-violent conflict management and post-conflict management.

Areas of regional focus and cooperation partners

We will in future enhance our efforts in the poorest countries to achieve unattained millennium goals and overcome hunger and poverty. We want to focus in particular on fragile states.

International cooperation with countries in which government action systematically contradicts our values should only occur if our support measures might lead to change, are appropriate for humanitarian reasons or if they promote peace and security.

Bilateral state cooperation with newly industrialising countries must take account of their higher performance capabilities and increased international responsibility. Newly industrialising countries must be expected to shoulder responsibility themselves for the human rights to nutrition, health and education of their own populations. We will concentrate on protecting global public property, searching for sustainable development pathways with responsible use of raw materials and, on a case-by-case basis, also triangular cooperation projects in favour of poor developing countries. It is especially important to promote civil society in these countries as well as civil-society cooperation.



Our development cooperation supports the transformation processes in the southern and eastern Mediterranean region as well as in the member states of the Eastern Partnership. Alongside sub-Saharan Africa, these regions are a particular focus of our development policy.

The Federal Government will encourage civil society commitment and strengthen the exercise of development policy responsibility by churches, non-governmental organisations, political and private foundations and the business community, as well as by municipal authorities. This applies here in our country as well as in our partner countries. Intensive cooperation activities such as chamber and association partnerships as well as vocational training partnerships should be strengthened further. We want to strengthen development-policy educational work and support free trade. In cooperation with the German business community (PPP), we support the establishment and expansion of the private sector in developing countries on the basis of a balanced division of tasks between the state and the private sector; however, this must be along the lines of sustainable, social and ecological development.

8. WORKING METHOD OF THE COALITION

Cooperation between the parties

This coalition agreement applies for the duration of the 18th electoral period. The coalition partners undertake to implement this agreement in the actions of the government. The partners bear joint responsibility for the coalition's entire policy.

The coalition partners of the CDU, CSU and SPD will coordinate their work in parliament and in the government extensively with one another on an ongoing basis, and will reach a consensus on procedural, factual and personnel issues. The coalition partners will meet regularly for coalition meetings in the coalition committee. Furthermore, the coalition committee will meet at the request of one coalition partner. It will consider matters of fundamental importance which must be agreed upon between the coalition partners, and will establish a consensus in case of conflicts.

The coalition parties will reach a unanimous decision on appointments to the coalition committee.

Cooperation between the parliamentary factions

The coalition factions will vote unanimously in the Bundestag and in all Bundestag bodies. This also applies to questions that are not related to agreed policy. Shifting majorities are ruled out.

Unanimity will be established between the coalition factions regarding the process and work of the parliament. Motions, legislative initiatives and inquiries at the level of the parliamentary parties are submitted jointly or, in exceptional circumstances, by mutual consent. The coalition factions will reach a decision on this.

Opposition rights

A strong democracy needs opposition in parliament. The CDU, CSU and SPD will protect minority rights in the Bundestag. At the initiative of the coalition partners, the Bundestag will take a decision enabling the opposition factions in parliament to exercise minority rights as well as for opposition members to be given due consideration when allocating speaking time.

Work in the Federal Government

No side will be outvoted in cabinet on issues which are of fundamental importance to one coalition partner. The coalition factions are represented on cabinet committees and bodies, advisory boards and commissions appointed by cabinet according to their relative strengths. Appointment is by common agreement. Basically, all coalition partners will be represented assuming the number of Federal Government representatives permits this.

European policy coordination

To achieve the best possible representation of German interests at European level, the Federal Government will ensure that a united front is presented towards European partners and institutions. For this purpose, the coalition partners will consult closely within the Federal Government, observing the tried-and-tested distribution of competences. This coordination responsibility will be exercised by the federal ministers within the framework of their departmental and coordination responsibilities and in close cooperation with the Federal Chancellor and the Vice Chancellor.

During the European elections, the coalition partners will campaign against one another in accordance with their membership of the particular European party groupings;



furthermore, they will compete fairly against one another in the upcoming local and federal state elections.

Distribution of portfolios

The distribution of portfolios will be announced once the parties have reached a decision.

The right to nominate the particular offices resides with the responsible parties. The number of parliamentary secretaries of state and ministers of state depends on the balance of power between the parties. The same procedure will be followed with Federal Government commissioners.

The right to nominate permanent and parliamentary secretaries of state as well as ministers of state resides with the particular federal ministry.