Federal Ministry
for Economic Affairs
and Climate Action

National Reform Programme 2023

bmwk.de

Imprint

Publisher
Federal Ministry for Economic Affairs
and Climate Action (BMWK)
Public Relations
11019 Berlin
www.bmwk.de

Current as at
March 2023

This publication is available for download only.

Design
PRpetuum GmbH, D-80801 Munich

Central ordering service for publications of the Federal Government
Email: publikationen@bundesregierung.de
Tel.: +49 30 182722721
Fax: +49 30 18102722721

Contents

Introductory notes 3

I. Selected actions to tackle primary macroeconomic and social challenges 5

Reducing reliance on fossil fuels and accelerating the energy transition (particularly CSR 4 2022) 5

Modernising the digital infrastructure (CSR 3 2022) 14

Fiscal and tax policy: ensuring fiscal viability, strengthening transformational incentives (CSR 1 2022) 15

Reference to additional relevant sections of the Annual Economic Report 17

II. Progress on implementation of the German Recovery and Resilience Plan (CSR 2 2022) 18

Key elements of the German Recovery and Resilience Plan 18

Increase in funding 19

Implementation status of the milestones and targets 19

III. Macroeconomic Imbalances Procedure: the current account surplus falls below the 6% mark 20

IV. Selected aspects of the implementation of the UN Sustainable Development Goals 22

V. Selected aspects of the implementation of the European Pillar of Social Rights 25

Table I: Selected measures contributing to the implementation of the country-specific recommendations 27

Table II: Progress on implementation of GRRP (status: 12.03.2023) 34

List of diagrams

Diagram 1: Reduction in natural gas consumption in the EU Member States in the period from August 2022 to January 2023 compared with average consumption in the 2017–2022 period 7

Diagram 2: Areas identified in the 2023 site development plan for the North Sea and Baltic Sea to reach the expansion target of 30 GW by 2030 8

Diagram 3: Gross fixed capital formation 20

Diagram 4: Public debt-to-GDP ratio 22

Diagram 5: Premature mortality 23

Diagram 6: Total raw materials productivity 24

List of boxes

Box 1: Country-specific recommendations by the Council of the European Union for Germany from 2022 3

Box 2: Contribution by the *Länder* and municipal level to the accelerated expansion of renewable energy 9

Introductory notes

1. The National Reform Programme (NRP) has been drawn up by the Federal Government, the lead ministry being the Federal Ministry for Economic Affairs and Climate Action. It reports on measures which serve to tackle significant macroeconomic and social challenges. The main points of reference are the latest country-specific recommendations (CSRs) of the Council of the EU (adopted on 12 July 2022, cf. Box 1) and the European Commission's Country Report Germany 2022 of 23 May 2022. The Federal Government is grateful for the country-specific recommendations of 2022, which largely correspond both to the strategic considerations for a targeted supply-side policy which particularly focuses on the processes of transformation, and to the principles of a socio-ecological market economy.

Box 1: Country-specific recommendations by the Council of the European Union for Germany from 2022

The Council of the European Union recommends that Germany take action in 2022 and 2023 to

1. In 2023, ensure that the growth of nationally financed primary current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. Improve the tax mix for more inclusive and sustainable growth, in particular by improving tax incentives to increase hours worked. Safeguard the long-term sustainability of the pension system.

2. Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021. Swiftly finalise the negotiations with the Commission on the 2021–2027 cohesion policy programming documents with a view to starting their implementation.

3. Remove investment obstacles and boost investment in very-high-capacity digital communication networks.

4. Reduce overall reliance on fossil fuels and diversify their imports by improving energy efficiency, incentivising energy savings, diversifying energy supplies and routes, removing investment bottlenecks, further streamlining permitting procedures, boosting investment in and accelerating the deployment of electricity networks and renewable energy, and further advancing participation in energy-related cross-border cooperation.

2. Since many of the NRP-related issues are already covered by the 2023 Annual Economic Report adopted by the federal cabinet on 25 January 2023, **the NRP makes various references to the content of the Annual Economic Report**. These references are supplemented by some information about key developments, particularly very recent ones. Especially relevant measures that contribute to the implementation of the current CSRs are listed in Table I, structured in line with the specific CSRs. Also, the report contains comments on further details of fiscal and tax policy.

The German *Länder* – coordinated by Lower Saxony, the current chair of the Conference of Minister-Presidents – have contributed their own text on the acceleration of the expansion of renewable energy at the level of the *Länder* and the municipalities (cf. Box 2). The contribution reflects the perspective of the Länder; the fact that it is published in the NRP does not mean that it reflects the Federal Government's views. The *Länder* have been given an opportunity to comment on the draft NRP.

3. In addition to the reporting about measures to tackle significant macroeconomic and social challenges, the NRP contains comments on the Macroeconomic Imbalances Procedure, in which for Germany the European Commission particularly flags up the development of the German current account surplus. Also, there is a summary of the progress on implementation of the German Recovery and Resilience Plan (GRRP), the European Pillar of Social Rights (EPSR) and the UN Sustainable Development Goals (SDGs).

4. Many industry and welfare associations, trade unions, employer representatives and representatives of the municipal administrative level were involved in the compilation of the document. The comments that have been received are published along with the 2023 NRP on the website of the Federal Ministry for Economic Affairs and Climate Action (https://www.bmwk.de/Redaktion/DE/Publikationen/Europa/nationales-reformprogramm-2023.html). The draft was also forwarded to the Bundestag committees.

5. The 2023 NRP was adopted by the federal cabinet on 29 March 2023. The citing of measures in the report does not prejudice either current or future budget negotiations. For measures to be realised, corresponding budgetary funding must be available. The distribution of competences between the Federation and the Länder prescribed by the Constitution must be borne in mind.

6. Directly after the Cabinet decision, the 2023 NRP was formally submitted to the German Bundestag and the Bundesrat. The Bundesrat considered the NRP at its session on 31 March 2023. The Federal Government will submit the 2023 NRP to the European Commission by the end of April 2023.

I. Selected actions to tackle primary macroeconomic and social challenges

7. Overall, Germany has coped well so far with the economic consequences of Russia's illegal war of aggression against Ukraine since 24 February 2022. There has not been an acute energy shortage, nor have companies had to cease production across the board, or make people redundant. The Federal Government's fiscal and economic policy has contributed substantially to ensuring macroeconomic stabilisation, and in many cases also overlaps with the country-specific recommendations (CSRs) for Germany. The Federal Government provided a detailed account of its economic and fiscal policy in this year's Annual Economic Report. The table in Annex I lists some of the primary measures with regard to the 2022 CSRs. Complementing the Annual Economic Report, the NRP contains more detailed information on three specific fields of action:

8. The NRP first examines the unilateral dependence on individual countries supplying fossil fuels, and on fossil energy resources themselves, particularly due to the faster pace of the energy transition. In terms of energy policy, the shortage of fossil fuels as a result of Russian aggression confirms the need – both in Germany and across Europe – to accelerate the transition to greenhouse gas neutrality and a secure energy supply based on renewable energy. The contribution by the Länder to the faster expansion of renewable energy at the Land and municipal level is included in this subsection (cf. Box 2).

Secondly, the NRP describes the modernisation of the digital infrastructure in Germany, the need for which is particularly highlighted in the 2022 CSRs. This topic was touched upon briefly in the Annual Economic Report.

Thirdly, against the backdrop of the 2022 CSRs, this year's NRP also discusses current developments in fiscal and tax policy.

In its economic and fiscal policy, the Federal Government trusts in a targeted supply-side policy overall to successfully meet the structural medium-term challenges facing the German economy. This is particularly the case in connection with the transition to a climate-neutral economy, digitalisation and demographic change. Embedding the individual measures in the European context is of great importance in this respect. At the same time, the Federal Government places a particular focus on strengthening economic and social participation.

In the last subsection, the NRP highlights additional sections of the Annual Economic Report that are of particular relevance to the CSRs/the European Commission's Country Report for Germany and European coordination.

Reducing reliance on fossil fuels and accelerating the energy transition (particularly CSR 4 2022)

9. In recent years, the supply of coal, oil and natural gas to large parts of Europe has been based to a significant extent on imports from Russia. Germany was one of the countries with the highest level of dependency. In 2021, Germany sourced around 54% via pipeline imports directly from Russia. Russian imports covered half of hard coal demand, and around 40% of demand for crude oil. Since the start of Russia's illegal war of aggression against Ukraine, Germany has taken a wide range of measures to quickly make up for the shortfall in Russian energy sources and diversify its supply sources more effectively (cf. Annual Economic Report, Item 53 ff.).

10. In retrospect, despite the tense situation, at no time in this process was there an acute danger to the supply of gas and electricity, thanks to the resolute action taken by the state, a high degree of corporate flexibility, and the efforts by households and businesses to save energy. For its part, the Federal Government enacted the legislation and provided the funding needed to safeguard the energy supply. However, the scarcity of energy and the concomitant hike in energy prices did play a substantial part in the clear economic slowdown since last spring. In view of the fact that Germany started from a high level of dependence on energy imports from Russia, the continued upturn in the second half of last year and the positive economic performance expected in 2023 (GDP growth of 0.2% according to the Federal Government's annual projection of 25 January 2023) can, however, be considered a major macroeconomic success.

11. In order to immediately stabilise the supply of gas and oil, key companies were placed under fiduciary management and provided with third-party capital and equity (cf. Annual Economic Report, Item 6, Box 5 in Item 59, Item 61). The filling of the gas reservoirs in response to clear requirements imposed by the state is also playing a major part in the continued security of supply in Germany and Europe (cf. Annual Economic Report, Item 55). Important steps towards diversifying the energy supply include the expansion of the LNG infrastructure (cf. Annual Economic Report, Items 54, 85) and the development of the Rostock-Schwedt pipeline (cf. also Annual Economic Report, Item 59 with Box 5).

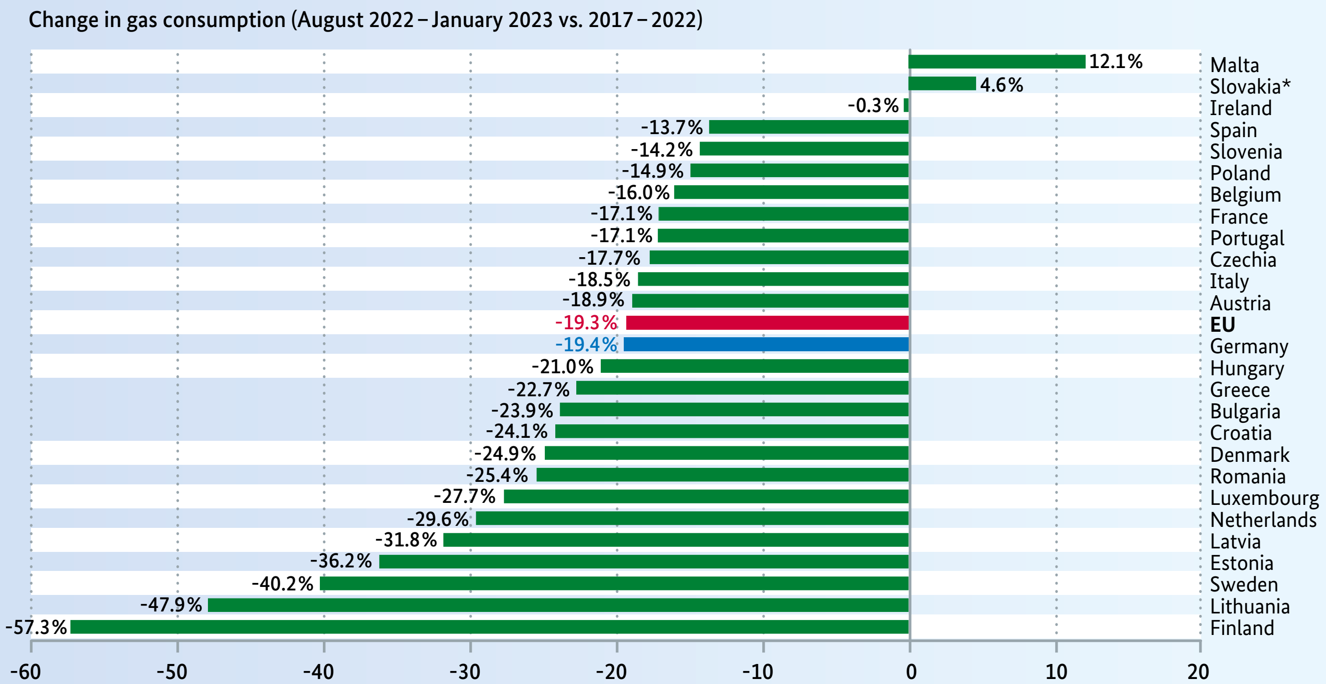
12. With Council Regulation (EU) 2022/1369 on coordinated demand-reduction measures for gas (in force since 9 August 2022), the Member States committed to reduce their gas demand – initially on a voluntary basis - between 1 August 2022 and 31 March 2023 by up to 15% compared with the average gas consumption over the same period in the five previous years (cf. Diagram 1)

13. To significantly step up the expansion of renewable energy, the legislator adopted the biggest package of energy policy legislation in decades in 2022 in the form of the Package of Immediate Energy Action, extensively revising laws such as the Renewable Energy Sources Act (2023 RES Act) and the Offshore Wind Energy Act (2023 Offshore Wind Energy Act), (cf. Annual Economic Report, Item 68). The package also codified in law the principle that, in future, renewable energy is in the overriding public interest and serves public security. Therefore, when different protected interests are considered in infrastructure expansion projects, renewables must be viewed as a priority interest until greenhouse gas neutrality is achieved. Public interests, as part of the obligation to take climate action (Art. 20a of the Basic Law), can only conflict with renewable energy if they are codified into law or legally protected by a comparable constitutional rank or have an equivalent rank (cf. Annual Economic Report, Item 69). Further to this, the 2023 RES Act and the 2023 Offshore Wind Energy Act substantially increased the expansion targets for renewable energy and volumes up for auction (cf. Annual Economic Report, Item 70). In the case of onshore wind, the Wind Area Requirements Act implements binding land-use targets for the Länder to achieve the target of having two percent of Germany's land area designated for onshore wind energy in 2032 (cf. Annual Economic Report, Item 71). (For more on the expansion of renewable energy overall, please refer to the Annual Economic Report, Items 67 – 84).

14. Building on the information provided in the Annual Economic Report, the following section examines a few recent developments that are relevant to the acceleration of the energy transition.

The Federal Government is further accelerating the procedures for the expansion of onshore wind, offshore wind and for offshore connection lines, ground-mounted PV installations and electricity grids to a significant extent once again. On 3 March 2023, the German Bundestag adopted the Act Amending the Spatial Planning Act and Other Provisions, which, in the form of an omnibus bill, also establishes the necessary legal foundation for the implementation of Article 6 of the EU Emergency Regulation (Regulation EU 2022/2577). Convening on the same day, the Bundesrat did not call upon the mediation committee. The Act will therefore enter into force shortly following its promulgation. The EU Emergency Regulation entered into force on 30 December 2022 and will apply for a limited period of 18 months. The implementation arrangements agreed under the Act Amending the Spatial Planning Act and Other Provisions apply to permitting procedures for onshore wind energy installations, offshore wind energy installations, offshore connection lines, ground-mounted PV installations and electricity grids with a voltage of over 110 kv that start before 30 June 2024. Permitting procedures that have already commenced can also benefit from the facilitations under certain conditions. The requirement to perform an environmental impact assessment (EIA) and protected species survey is waived in the permitting procedure for designated renewable energy and grid expansion areas if they have already been subject to a strategic environmental assessment (SEA).

Diagram 1: Reduction in natural gas consumption in the EU Member States in the period from August 2022 to January 2023 compared with average consumption in the 2017–2022 period



*Data subject to revision; Cyprus consumes no natural gas.

Source: Eurostat

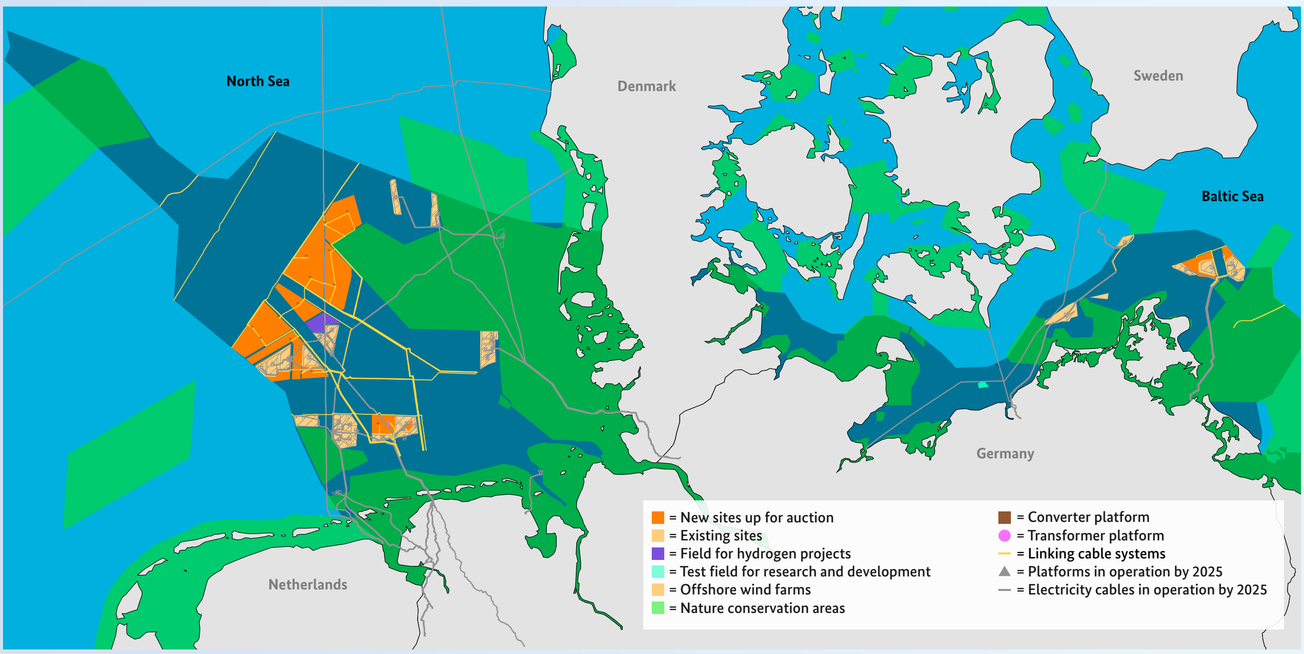
Only the EIA is omitted in the case of ground-mounted PV installations.

To uphold the interests of species conservation, the competent authority shall however ensure that, on the basis of existing data, the operator applies appropriate and proportionate mitigation measures. Where such measures or data are not available, operators must pay a monetary compensation to a species protection programme.

With regard to the expansion of offshore wind energy, real and important progress was made with the publication of the site development plan by the Federal Maritime and Hydrographic Agency on 20 January 2023. The site development plan implements the acceleration measures adopted in the Offshore Wind Energy Act and enshrines the overriding public interest of offshore wind energy and offshore connection lines over other uses. To speed up the expansion process, the plan consolidates capacity on existing sites and identifies additional potential sites. A total capacity of 36.5 GW can be installed on the sites. The expansion target for 2030 is 30 GW. The plan also defines which areas are put out to tender under the specific tendering procedures (with and without central pre-assessment of sites). It also defines a test area to support research and development in Germany's territorial waters.

15. The site development plan also already plots the course for the expansion of offshore wind energy beyond 2030. Under the plan, the expansion target of 40 GW by 2035, as established by law in the Offshore Wind Energy Act, is increased by an additional 10 GW. The plan contains a visualisation of other potential sites in the annex for this purpose. It therefore maps out a clear path for the fur-

Diagram 2: Areas identified in the 2023 site development plan for the North Sea and Baltic Sea to reach the expansion target of 30 GW by 2030



Source: Federal Ministry for Economic Affairs and Climate Action ther expansion of offshore wind energy with high annual additional volumes, thereby providing certainty for investors. Plans are in place to commence work on the next update to the site development plan as early as spring 2023 to define offshore wind energy expansion post-2030.

Box 2: Contribution by the *Länder* and municipal level to the accelerated expansion of renewable energy [1]

Introduction

Russia's illegal and inhuman war of aggression against Ukraine has particularly brought home the need to increase the speed and scope of the transformation of our energy system. Alongside the necessary efforts to establish appropriate framework conditions at the federal level, the Länder and municipalities are also showing strong commitment to deliver on the energy transition. This article describes this contribution is greater detail.

Site availability

The Federal Government's Onshore Wind Act aims to effectively overcome current difficulties and obstacles in the availability of sites for wind energy. The Länder have accepted the challenges to designate sites, amounting to a total of two percent of Germany's land area, for wind energy as quickly as possible and in some cases well before the legally binding deadlines. For the interim period until the implementation of the Onshore Wind Energy Act, the Länder are using a variety of instruments to actively identify planning opportunities for wind energy expansion, also in collaboration with the municipalities in some cases.

With due regard for the protection of high-quality agricultural production areas and soils, the possibilities for agrivoltaics, ground-mounted PV installations and biogas facilities are also being expanded to a moderate extent in the Länder so that additional sites can be made available.

In the course of the transformation process towards renewable energy, the interests of the agricultural structure and nature and soil conservation must be taken into consideration. From the point of view of the Länder, it is important to also examine the criteria agreed between the Federation and the Länder to reduce land take in order to enable uses that serve the transformation to climate neutrality without abandoning sustainability goals.

→

1 Text is the view and responsibility of the *Länder*

Funding programmes

The *Länder* have set up a broad range of funding programmes in connection with the expansion of renewable energy for consumers, businesses and the public sector. By supporting or complementing the offerings at the federal level, the *Länder's* programmes make an important contribution to achieving common climate policy goals. The programme areas presented below are a small – and by no means exhaustive – selection of the extensive funding programmes offered by the *Länder*.

The portfolio includes the promotion of specific technologies, such as photovoltaic technology. Examples are funding programmes that seek to increase the usability of the roofs of residential and non-residential buildings for the installation of PV systems. Alongside the benefits in terms of climate protection, these funding opportunities give private citizens and businesses an additional incentive to build new PV installations. State-sponsored advisory services for PV development also come into play here. In addition, different types of PV installations are promoted in a number of the *Länder*, such as agrivoltaics, ground-mounted PV installations, parking lot or floating photovoltaics, and grants are available for the purchase and installation of "plug and play" solar panel systems.

A focus is also placed on the deployment of renewable energy on public buildings. As the public sector serves as a role model for others, some *Länder* are supporting the partial upgrading of existing public buildings for the use of solar panels.

The expansion of renewable energy will also receive an additional boost from the promotion of infrastructures. Funding programmes for the development and expansion of hydrogen in the field of industry and mobility (particularly for heavy goods vehicles) and an electricity-based charging infrastructure can be seen in this context.

Actions by the various *Länder* to reduce energy demand and increase energy efficiency continue to be of fundamental importance. These include advice and funding for the implementation of energy efficiency measures directed at both consumers and businesses, and the development of "smart city"-inspired neighbourhoods and business parks. Funding approaches in connection with the modernisation of different building types, which are geared towards achieving the long-term reduction of CO_2 emissions, play an important role in this context. For example, the energy retrofitting of residential and non-residential buildings is encouraged and promoted through the provision of grants primarily to private owners of single-family homes, multi-dwelling units including large apartment blocks, and owners of commercial units or office buildings. The funding opportunities available range from measures for the building envelope to the technical facilities and digital systems. With these instruments, attractive grants at the *Länder* level therefore dovetail with the funding framework at the federal level.

Accelerated permitting procedures/staffing at approval authorities

All *Länder* have the objective to speed up planning and approval processes. Established procedural steps must first be reviewed from a legal perspective, the efficiency of substantive requirements under the planning and permitting procedures must be examined, and any barriers that are identified must be swiftly removed. Particularly far-reaching acceleration effects will only materialise when machine-readable, structured data are processed in digitally interlinked procedures across all processes. Aside from providing the competent authorities with the necessary technical equipment and human resources, central levers for accelerating processes are also at the federal level. Provisions of EU legislation will need to be considered to some extent in this regard.

The Federal Government introduced a variety of comprehensive legislative amendments this year. To ensure their swift and legally compliant implementation, a particular priority now is to provide guidance and clarification on the changes made in federal law and how the manifold new provisions can be applied with legal certainty in official practice.

To be able to cope with the faster pace of renewable expansion from a procedural and official point of view, more human resources will be needed in many competent authorities at all levels. All stakeholders are aware of this responsibility, which – in the opinion of the *Länder* – must be reflected in current deliberations concerning the "Pact to Accelerate Planning, Permitting and Implementation" between the Federation and the *Länder*. Even if staff resources are increased, there is no guarantee that the necessary professionals are available in the labour market. The "Acceleration Pact" itself should be evaluated between the Federation and the *Länder*. Furthermore, from the viewpoint of the *Länder*, it is important to ensure at the federal level that the necessary financial resources are available in good time. In this connection it must be said that it has already been possible to reduce the duration of official permitting procedures in many cases. It can, however, be seen that the implementation periods following approval have increased steadily in recent years, such as in the case of wind energy, for example.

Various *Länder* have taken steps to help municipalities approve renewable energy installations more quickly. Furthermore, support is and has been granted to projects that aim to promote/improve acceptance and can help avert or reduce conflict and legal disputes that end up delaying processes. In addition, many *Länder* are in talks with a variety of stakeholders to act as a task force to mediate disputed issues in planning and approval processes and to ensure more efficient permitting procedures.

Grid expansion

A successful energy transition will not be possible without the substantial expansion of the transmission and distribution grids. This requires extensive planning and permitting procedures, which are the responsibility of the Federation and the *Länder*. The *Länder* take pains to complete these procedures as efficiently and quickly as possible, and some implemented project management processes at an early stage for this purpose. Professional exchange of information and knowledge takes place at regular intervals with all stakeholders here, making it possible to identify and rectify problems in the planning and approval processes early on. Furthermore, the *Länder* seek to harmonise the timing of individual steps of the spatial planning and planning approval procedures to avoid delays.

Under the Federal Government's energy policy, offshore wind energy will play a greater role in the future expansion of renewable energy than it has so far. By 2030 capacity of at least 30 GW is to be installed in Germany's exclusive economic zone and territorial waters, rising to at least 40 GW by 2035 and 70 GW by 2045. In particular, the immediate raising of offshore expansion targets to 30 GW by 2030 poses significant challenges for the stakeholders involved. This will also require the faster expansion of offshore connection lines (including connection lines in territorial waters and on the mainland). The connection of offshore wind energy to the electricity grid therefore poses a particular challenge, which coastal *Länder* will need to address. The ratified Offshore Agreement, which the Federation signed with all participating stakeholders on 3 November 2022, further underscores the necessary steps and establishes obligation and commitment for all parties. The *Länder* concerned are now taking all the necessary steps to implement the agreement.

For the faster expansion of energy infrastructure measures relating to the energy transition in Germany, it is worth examining whether we can build on the positive experience and acceleration effects of the current expansion of the LNG infrastructure. This should, however, allow for the justified requirements of environmental protection.

Industrial policy/sector-specific policy

The global economic disruption in the wake of the COVID-19 pandemic and, not least, the Russian war of aggression unleashed against Ukraine have made it abundantly clear how reliant many production processes in Germany are on international supply chains and vulnerable to geopolitical developments. The challenge and task, therefore, is to take steps to ensure the greater resilience of supply chains and production processes at both the national and European level, particularly also with a view to achieving a successful energy transition, which entails the extensive reorganisation of the generation, distribution, use and storage of energy. This also includes the need to strengthen or (re-)build production capacities in key sectors, such as base material production or the semi-conductor industry.

Some *Länder* are aiming to establish the production of PV modules in Germany. As *Länder* with tremendous potential to generate and land renewable energy, all are eager to capitalise on this "energy wealth" and establish or expand energy-intensive industries of the future.

At the same time, it is essential to attract the skilled workers needed to implement this enormous process of transformation. There is already an appreciable shortage of skilled labour particularly in technical professions, which must be addressed with resolute action. The *Länder* are making appropriate efforts in this regard.

Financing

Public budgets in Germany are facing serious challenges. Not least, energy prices have skyrocketed as a consequence of Russia's illegal war of aggression against Ukraine. In response, the Federation and the *Länder* decided to significantly relieve the pressure on households and businesses, with the *Länder* and municipalities covering a significant share of the financing. This is particularly true for the permanent measures that will place a structural burden on the budgets of the *Länder* and municipalities not only in 2023, but also in the future, and will greatly limit fiscal room for manoeuvre. The *Länder* believe they have a shared responsibility to make an appropriate contribution to mitigating the impact of the high energy prices. All additional measures must, in principle, be subject to the budgetary proviso of affordability.

16. The planned Energy Efficiency Act will create a cross-sectoral framework to increase energy efficiency for the first time ever. It is designed to support the implementation of key requirements from the current amendment to the EU's Energy Efficiency Directive (EED) and make an important contribution to achieving Germany's climate targets.

17. Over the past 15 years, Germany has entered into climate and energy partnerships with 27 countries (outside Europe), and has also concluded separate hydrogen alliances in recent years. The aims and guiding principle of bilateral collaboration on climate and energy are:

- to support global climate action to reach the 1.5 degrees goal and bring about the global energy transition
- to strengthen foreign trade promotion in the field of energy
- to increase energy security.

The energy partnerships and dialogues facilitate energy policy exchange at the government level. At the same time, they provide key impetus for energy innovations and economic co-operation on our path to a global energy transition. Scientific collaboration in research, development and innovation projects strengthens continuous knowledge-sharing between the scientific and business community in the participating countries. These projects also give consideration to the on-site training of academic and non-academic skilled workers. The aim is the transformation towards an economically attractive, climate-neutral, cost-effective and secure energy system that can be managed with local expertise. They address topics such as the transmission code, the electricity market design, hydrogen strategies, the phase-out of coal, energy audits and building efficiency, grid expansion, cybersecurity and blockchain, and also examine fundamental issues surrounding socially acceptable structural change and local economic and employment developments through workshops, steering/working group meetings, bilateral talks, visits by delegations and large-scale events.

The 2023 National Energy and Climate Plan Progress Report (NECPR) contains a substantial section on cross-border collaboration.

Modernising the digital infrastructure (CSR 3 2022)

18. The need for investment in the digital infrastructure has been particularly highlighted in the CSRs and is a top-priority issue for the Federal Government. For this reason, in this section the NRP will discuss the modernisation of the digital infrastructure in somewhat greater detail than in the Annual Economic Report. The Federal Government's overriding goal for a digitally competitive Germany is the nation-wide availability of fibre-to-the-home connections and the latest mobile communications standard. By 2030, the latter is to be available everywhere people live, work and travel – including in rural areas. By 2025, at least half of all households and companies are to have optical fibre connections.

19. According to the Digital Economy and Society Index Report (DESI) published by the European Commission on 28 July 2022, very-high-capacity network (VHCN) coverage in Germany has improved significantly. At 75%, it is now above the EU average. This counts as major progress towards the Digital Decade target of all households covered by gigabit networks by 2030. However, Germany is still lagging behind in fibre coverage, and the urban-rural digital divide persists. In contrast, Germany ranks fourth among EU Member States in 5G coverage, with 87% of populated areas, and is well above the EU average of 66%.

20. The challenges identified in the DESI Report, particularly the coverage divide between urban and rural areas, the differences in fibre coverage and the modest take-up of high bandwidths, are already being addressed by the Federal Government in the Gigabit Strategy and matched by concrete measures.

21. For example, the Federal Government's Gigabit Strategy adopted in July 2022 comprises some 100 measures to further improve the policy environment for the expansion of digital infrastructure. This includes, for example, the acceleration and digitalisation of approval procedures, the strengthening of alternative line-laying methods, and the establishment of a new Gigabit Register.

22. Private-sector development and expansion continues to have priority over government-funded measures in this context. The Federal Government provides additional funding to support network expansion in regions where market-led expansion does not take place – frequently in rural, sparely populated areas.

23. The government funding framework is continuously being refined and improved. The funding guidelines for the Broadband Funding Programme are currently being revised, for example. With its Mobile Communications Funding Programme, the Federal Government addresses areas with no coverage in rural regions, which are not financially viable for network operators to develop on their own. Since February 2022, businesses have been able to apply for funding to build mobile communication sites in designated white areas. The Federal Government consistently takes care to ensure provider neutrality in both the design and the implementation of the funding programme, which means that sponsored cell towers are designed for use by all network operators. Furthermore, the sites are also

ready for 5G mobile communications technology thanks to fibre connections.

24. The Federal Government will establish the Gigabit Register by the end of 2023, thereby concentrating all the relevant information for gigabit expansion in a single location. The Federal Government adopted the set of cornerstone policies for this in July 2022. In December 2022, the Gigabit Register website went online, with up-to-date and more accurate data and – in a first step – with better analysis capabilities for the public bodies involved in the expansion.

Fiscal and tax policy: ensuring fiscal viability, strengthening transformational incentives (CSR 1 2022)

25. The 2023 Annual Economic Report also contains extensive information on the Federal Government's fiscal and tax policy (cf. Section G in particular). After several years of expansionary fiscal policy, which played a key part in macroeconomic stabilisation in the wake of the COVID-19 pandemic and soaring energy prices, 2023 marks a return to normal fiscal policy with compliance with the regular ceiling for net borrowing as defined by the debt brake enshrined in the constitution. After a general government deficit of 2.6% in 2022, which is attributable to the funding deficit of the Federation, the aggregate deficit will rise to 4½% due to measures to address the energy crisis according to the December fiscal projection for the Stability Council, but will be well below the Maastricht threshold of 3% once again from 2024 onwards. This normalisation of fiscal policy not only ensures medium-term fiscal viability but also prevents additional inflationary pressures from fiscal policy caused by an overly expansionary stance in an environment of high inflation.

26. Decarbonisation, digitalisation and demographic change are particular challenges facing the German economy on the medium term. They call for a transformative supply-side policy in the form of targeted measures, such as actions to strengthen the human capital base and capacity for innovation. To achieve this goal within the regular confines of the constitutional debt brake, it will be necessary to prioritise public spending on an ongoing basis. In its fiscal policy the Federal Government aims to avoid a further increase in the (structural) tax burden, particularly with regard to the fiscal pressure on labour. Furthermore, the Federal Government seeks to generate additional budgetary leeway by removing subsidies and spending from the budget that are superfluous, ineffective and damaging to the environment and climate.

27. Measures to improve the fairness of the tax system are also considered. The Federal Government is committed to strengthening social justice and conditions of fair competition, and will bring together measures to modernise and further develop tax law in a legislative procedure in 2023. In preparing the legislation, a series of measures to tackle aggressive tax arrangements will be examined, including the "maximum interest barrier rule" already agreed in the Coalition Agreement.

In this respect, the Coalition Agreement contains provisions to also extend the existing requirement to report cross-border tax arrangements to national tax arrangements, for example. Furthermore, the Federal Government is working at top speed on the implementation of the global effective minimum taxation rate. To this end, a draft paper for discussion was published in mid-March 2023 to give all stakeholders the opportunity to submit their comments as early as possible. The global effective minimum taxation rate is to be applied for the first time for fiscal years commencing after 30 December 2023.

Anti-VAT fraud is another matter of high priority to protect households and legitimate businesses and to avoid distortions of competition. The Federal Government will introduce a nationwide electronic reporting procedure as quickly as possible for the creation, examination and forwarding of invoices. To avoid placing a burden on economic operators and the administration with parallel processes, the Federal Government will include the European Commission's legislative proposal for "VAT in the digital age" and the related consultations held in EU bodies in future deliberations. The Federal Government will push for the fastest possible implementation of the electronic reporting system, as the focus here is not only on curbing tax evasion but also on efficient bureaucracy and the digital transformation.

28. A reform of joint taxation rules for couples could improve incentives to work, particularly for second earners. This is the very aim of the measure to transfer the III/V tax bracket combination to the bracket IV factor-based method, which was announced in the Coalition Agreement and is currently under preparation by the Federal Government. The Federal Government wants to refine family taxation in a way that strengthens shared responsibility and economic independence for all family types.

29. In light of the altered macroeconomic conditions, the Federal Government is examining further, targeted relief for businesses, particularly with a view to strengthening investment in the modernisation and transformation of the German economy and therefore boosting its power to compete (cf. also 2023 Annual Economic Report, p. 53 ff.).

30. The Federal Government recognises the need for structural adjustments also against the backdrop of the long-term viability of the social insurance system and the federal budget. To limit the implicit liabilities resulting from existing benefits and underlying future revenue, the Federal Government sees the need for (fundamental) reform both in the area of statutory pension insurance and in the area of statutory health insurance and social long-term care insurance.

31. The Federal Government will launch a partial capital-based statutory pension insurance system to curb increases in contribution rates. It is to be professionally managed as a permanent fund by an independent public body and invested globally. The pay-as-you-go pension system is to be strengthened by the increased labour market participation of women, older workers and the employment-related immigration of skilled workers (cf. Annual Economic Report, Section D).

In the area of health care and nursing care, the Federal Government is introducing structural measures in this legislative term to make service provision more efficient and consistent with demand and also to safeguard financing. Social long-term care insurance has an additional financial requirement for 2023 to safeguard the necessary target for resources and financial reserves. In the statutory health insurance system, the financial requirements for 2024 and subsequent years have yet to be determined but are expected to run into the billions. Key intended reforms include: reform of long-term care insurance (stabilisation of the financial situation by adjusting contribution rates, appropriate adjustment of benefits, promotion of digitalisation in nursing care), reform of inpatient care, expansion of cross-sector healthcare provision and the active regulation of the use of health data.

Reference to additional relevant sections of the Annual Economic Report

32. The Annual Economic Report discusses additional topics that are significant in the CSRs and/or the Country Report for Germany.

For example, to relieve the pressure caused by higher energy prices the Federal Government launched a host of relief measures both for individuals and for businesses over the course of last year (CSR 1 2022, cf. Annual Economic Report, Item 42 with Box 3). Details on measures to tackle the skilled labour shortage (frequently highlighted in the 2022 Country Report for Germany) and to promote initial and further training are provided in Item 105 ff. of the Annual Economic Report. Item 215 of the Annual Economic Report, in particular, discusses support for refugees from Ukraine (CSR 1 2022). Important aspects of competition policy are presented in Item 146 ff. of the Annual Economic Report.

33. Public investment (CSR 1 2022) is also discussed in the Annual Economic Report, particularly in Items 217 ff. and 242 ff. Section 2 of this NRP also contains a comprehensive summary of progress on the implementation of important investment measures under the German Recovery and Resilience Plan and its proposed extension. The Federal Government is also committed to pursuing a sound fiscal policy: increased investment in the future and the necessary expenditure to provide stability in the crisis on the one hand, coupled with the return to the regular ceilings of the constitutional debt brake from 2023 on the other, ensures that fiscal policy will remain sound and that additional inflationary pressure is avoided (cf. Annual Economic Report, Item 251 ff.).

II. Progress on implementation of the German Recovery and Resilience Plan (CSR 2 2022)

Key elements of the German Recovery and Resilience Plan

34. Further progress is being made on the implementation of the German Recovery and Resilience Plan (GRRP). The focus of the plan continues to be – in line with the principles of the European Recovery and Resilience Facility (RRF) – on the key forward-looking topics of digitalisation and climate change. Roughly 42% of the spending under the German plan is on climate measures, and more than 50% on digitisation measures. This means that Germany is exceeding the EU's requirements to spend 37% of the funding on climate measures and 20% on digitalisation.

The German Recovery and Resilience Plan comprises nearly €28 billion for the 2020-2026 period and contains 40 measures, which are assigned to the following six priority fields:

1. climate policy and energy transition (€11.3 billion),

2. digitalisation of the economy and infrastructure (€5.9 billion),

3. digitalisation of education (€1.4 billion),

4. strengthening of social participation (€1.3 billion),

5. strengthening of a pandemic-resilient health system (€4.6 billion),

6. modern administration and removal of impediments to investments (€3.5 billion).

35. The GRRP sets out long-term policies for more investment in forward-looking technologies and in protecting the health of the population. The GRRP's main priority (approx. 40% of the total funding) is placed on climate policy and the energy transition. This comprises massive investments in the establishment of a high-performance hydrogen economy and the promotion of climate-friendly mobility and improvements in the energy performance of buildings. A second focus of the GRRP is placed on the digitisation of the economy and infrastructure, and on digitalisation in the education system. The digitalisation aspect can be found throughout the measures of the GRRP.

36. Also, a central part of the GRRP contains the Important Projects of Common European Interest (IPCEIs) initiated jointly by Germany and France in the fields of hydrogen, microelectronics and communication technologies, and cloud and data processing. They are open to all EU Member States. These projects make an important contribution towards cross-border cooperation on technology in central fields and thus generate genuine European added value.

37. In addition to these major priorities, Germany is targeting the European funding at a digital education campaign, strengthening social participation, and a pandemic-resilient health system. The key focuses of investment are backed by structural reforms to expand public-sector investment capacities and to modernise the administration in Germany. The aim of the GRRP is that administrative processes and approval services should be provided more swiftly and in a more citizen-friendly way, and that public investment projects should be implemented more quickly.

38. The GRRP includes projects selected by the Federal Government in the previous legislative term from the Stimulus and Future Package of June 2020. And projects beyond the Stimulus and Future Package have also found their way into the GRRP, e.g. the IPCEIs mentioned above.

Increase in funding

39. According to the original forecast, Germany was to receive grants of €25.6 billion for the GRRP. In the context of a recalculation of the RRF, Germany is now receiving an additional amount of approx. €2.4 billion, so that the total volume rises to €28 billion. Also, additional funding of approx. €2.1 billion is available under REPowerEU, which is to serve as additional capital in the GRRP for the diversification of the energy supply and the acceleration of the energy transition. Further to this, Germany will transfer approx. €220 million of unused funding from the Brexit Adjustment Reserve for use in the REPowerEU chapter. The deployment of the total additional funding of approx. €4.7 billion is currently being planned. The intention is – in line with the focus of REPowerEU and CSR 4 from 2022 – to include new measures in the field of energy security and efficiency in the GRRP.

Implementation status of the milestones and targets

40. The 40 measures of the GRRP have been assigned 129 milestones and targets. There is a close dialogue with the COM about the implementation status. In order to apply for payment and ensure full disbursement, Germany must demonstrate that it has fully attained all the milestones and targets required for this. Should adjustments be required, these are only possible under the RRF Regulation if the attainment of the milestones/goals has become impossible due to objective circumstances. This affects three milestones/goals for the first payment request in the fields of vaccine research and the digital track. This minor adjustment was submitted to the COM in December 2022 and was accepted in the February ECOFIN Council session.

41. However, the plan needs to be further adapted for payment applications in the years from 2023 to 2026. This amendment affects several more milestones / targets. Also, the amendment will allocate the additional money arising from the funding increase to specific measures.

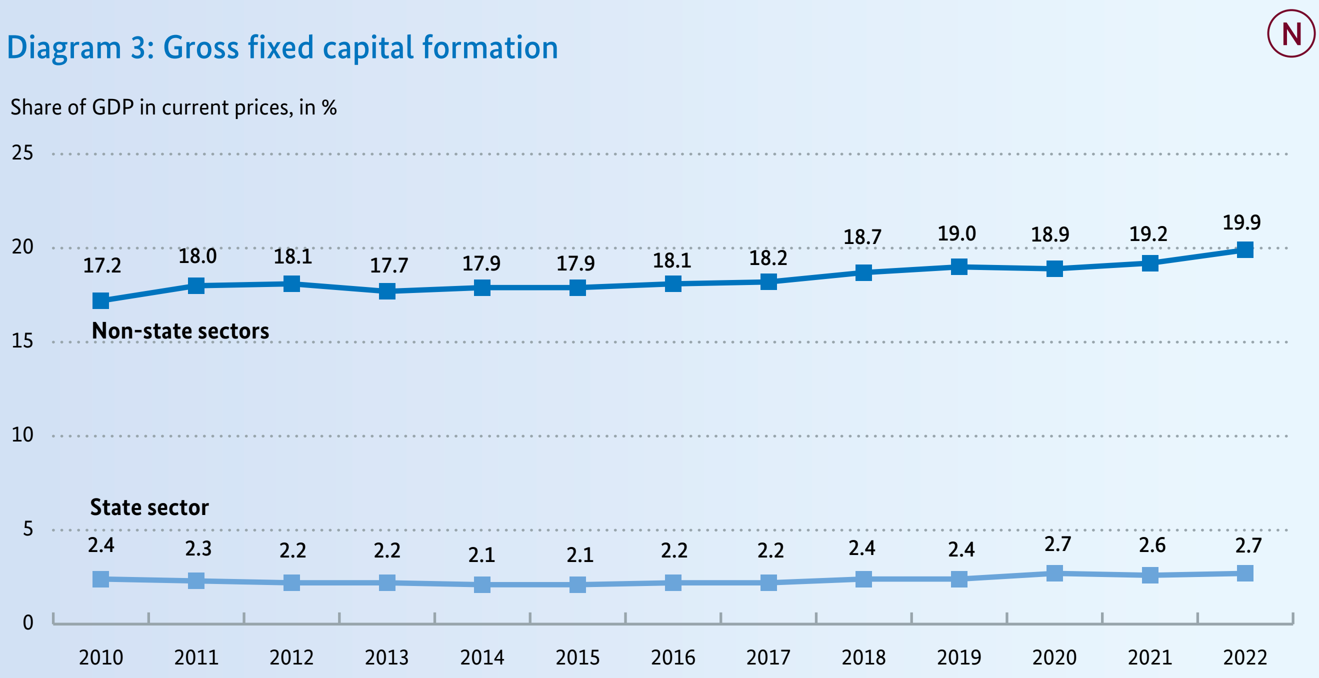
42. Comprehensive requirements to uphold auditing and control standards exist in order to ensure that the EU's financial interests are upheld in the implementation of the GRRP. An independent audit unit has been set up in addition to the GRRP coordination unit in order to ensure that this is the case.

III. Macroeconomic Imbalances Procedure: the current account surplus falls below the 6% mark

43. Most recently in spring 2022, the COM stated that Germany had a macroeconomic imbalance, and the COM's reasoning for this was grounded in a persistent current account surplus of cross-border relevance. It asserted that this surplus is reflected in restrained (private and public) investment in comparison to savings, and that this was due to impediments to investment. Despite the fact that the high energy and raw materials prices reduced the current account surplus, in spring 2022 the COM assumed that the surplus would again exceed the 6% ceiling in 2023 as a three-year average.

44. The current account balance is not a variable used to steer economic policy in the narrower sense. It is primarily the outcome of market-based decisions by companies and private individuals who determine supply and demand. Due to a deterioration in the terms of trade, i.e. a worse relationship between the level of prices for exports and the level of prices for imports, Germany's current account balance has recently fallen significantly, dropping to 3.8% in 2022. The main cause of this development is the high prices for energy imports. Also, due to the high proportion of Russian energy imports before the beginning of the war and due to Germany's economic structure, in which a comparatively great role is played by the

Diagram 3: Gross fixed capital formation



Source: Federal Statistical Office, National Accounts manufacturing sector, Germany is more severely affected by the energy crisis than many other Member States. The changed terms of trade are therefore likely to have reduced cross-border imbalances – even if the development per se is not economically desirable. A positive signal is the rise in private and public gross fixed capital formation in relation to GDP over the last decade (cf. Annual Economic Report item 341). Going forward, a range of fiscal policy and regulatory measures by the Federal Government to expedite the green and digital transition should boost private and public investment. A central role is played by the Climate and Transformation Fund which – according to current planning – will spend more than €130 billion in this and the next two years in order e.g. to fund the shift from fossil to renewable energy, the decarbonisation of industry, necessary retrofitting of buildings, the market ramp-up of the hydrogen economy including research needed for this, and the expansion of electric mobility. Also, the state is setting additional incentives for the general mobilisation of private investment.

45. Further to this – whilst observing the principle of independent collective bargaining – the Federal Government is putting policies in place to boost the coverage of collective agreements. Other structural changes like the ageing of society or the restructuring of supply chains are also likely to reduce the current account surplus in the medium to long term. However, the extent of any longer-term, structural impact on Germany's current account cannot be finally assessed at present. The Federal Government expects only a small rise in the current account surplus in its 2023 annual projection, to 4.2% in 2023 and 4.5% in 2024. This means that the current account surplus is likely to remain much lower than it was before the crisis, with a three-year average below the 6% threshold for the foreseeable future.

In its last Alert Mechanism Report, the COM indicated that it might also identify a macroeconomic imbalance in Germany due to the development of real estate prices. It observes that nominal price growth for residential property in Germany was one of the highest in the EU until the beginning of 2022. The Financial Stability Committee and the Bundesbank believe that the vulnerabilities from residential real estate financing have increased in Germany. For this reason, the Federal Financial Supervisory Authority has taken preventative action to order a sectoral systemic risk buffer of 2% of the risk-weighted assets for loans backed by collateral in the form of German residential property. This buffer helps to cushion possible losses and takes a preventative approach to reduce potential vulnerabilities resulting from the development in real-estate prices. At the same time, Germany – especially in conurbations – is suffering from a shortage of housing in many places, so that the risk of a market-wide self-perpetuating severe slump in residential property prices is likely to be low; but in view of a further rise in interest rates, price corrections seem to have become more likely, particularly if there are further rises in interest rates.[2]

2 Cf. Kholodilin/Rieth (2022): DIW-Wochenbericht 47/2022 – Immobilienmarkt bisher stabil – aber Risiko für Preiskorrekturen hat zugenommen.

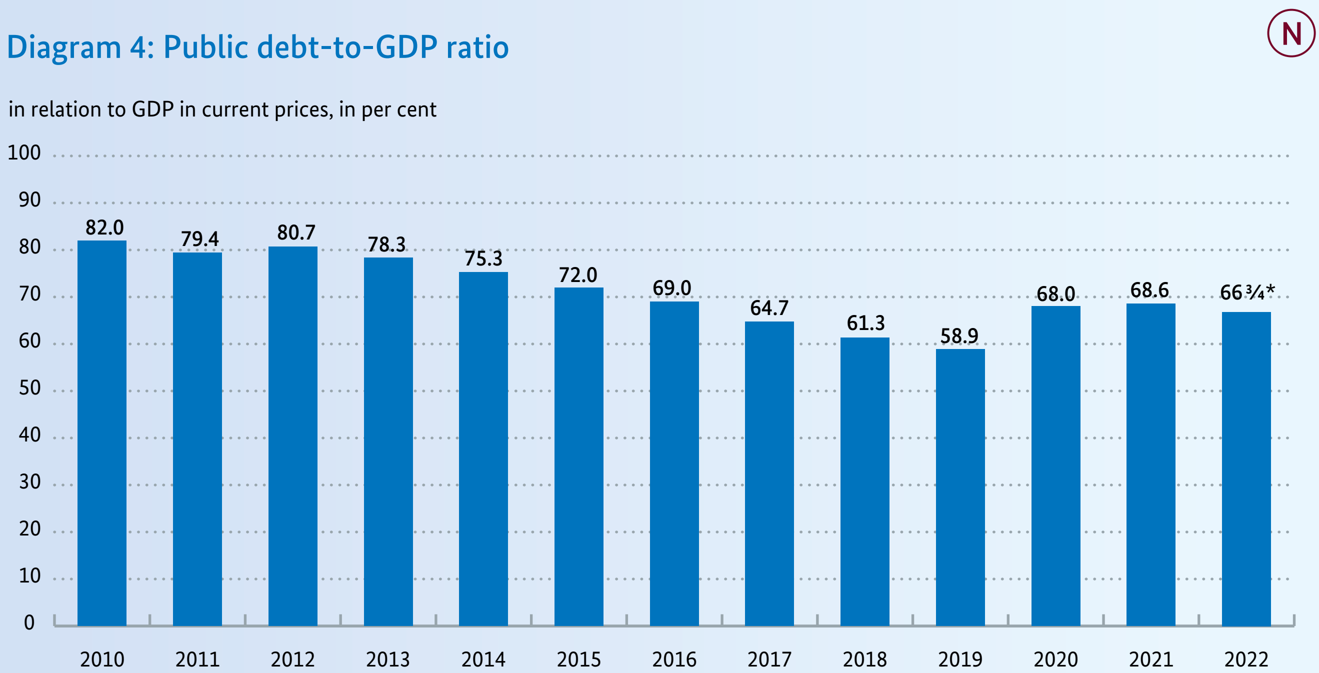
IV. Selected aspects of the implementation of the UN Sustainable Development Goals

46. The UN Sustainable Development Goals (SDGs) are reflected in many ways in Germany's economic and fiscal policy. The extended set of indicators contained in the Annual Economic Report particularly draws on indicators from the German Sustainability Strategy. The following comments refer to particularly relevant developments in this context. The developments refer to SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" and SDG 3: "Ensure healthy lives and promote well-being for all at all ages".

47. A successful green and digital transition will require additional investment in alternative energy and production processes, innovation and modern infrastructure. This will require effort from both the public and the private sector. The fact that **gross fixed capital formation** in relation to GDP rose by 2.7 percentage points to 19.9% in the private sector between 2010 and 2021 can therefore be regarded as a positive signal (cf. Diagram 3). Public investment was also recently at a higher level than in the 2010s, at around 2.7% of GDP. However, budget deficits have recently also increased, resulting in a significant rise in the debts of the public budgets.

48. Alongside the mobilisation of additional investment, the long-term viability of public finances is of great importance for the Federal Government. It proved possible to cut the **public debt**, measured in relation to GDP, by more than 20 percentage points to below 60% between 2010 and 2019. The entry into force of the constitutional debt brake for the Federation in 2011 and the *Länder* in 2020 contributed to this. In the wake of the pandemic, the debt rose again, however, due to the measures needed for macroeconomic stabilisation and to cope with the pandemic, by around

Diagram 4: Public debt-to-GDP ratio



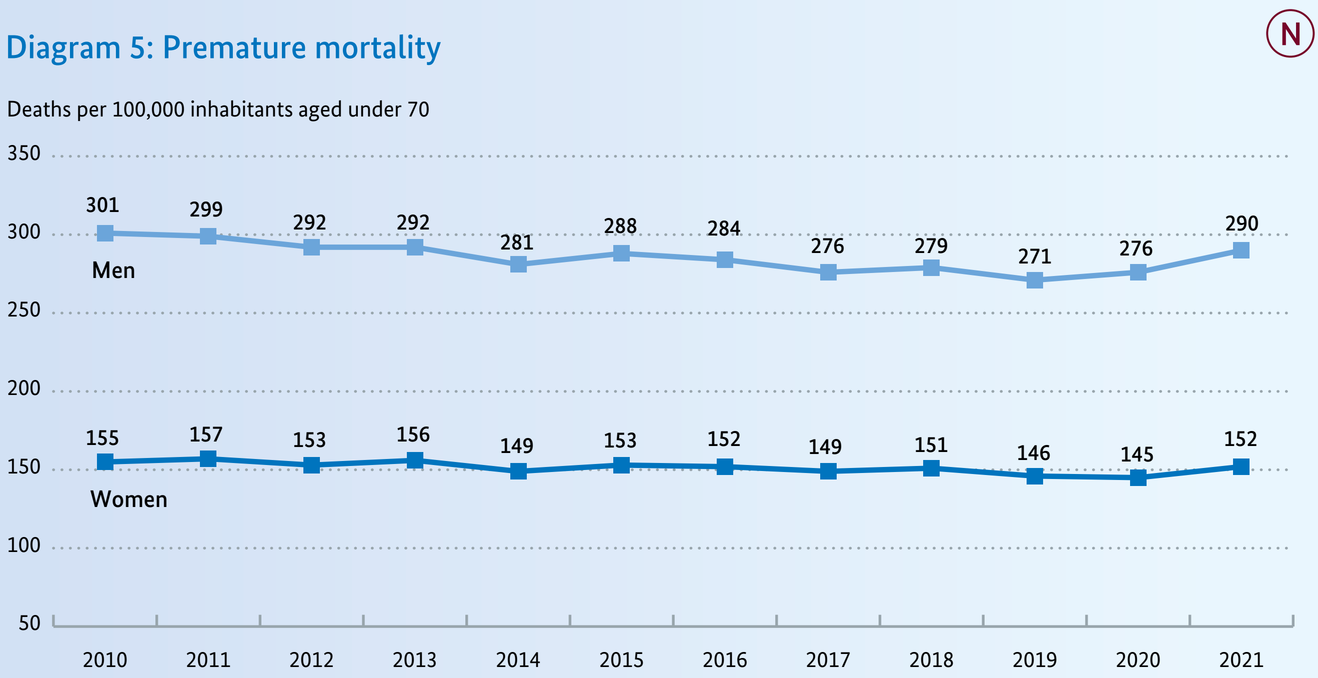
Source: Federal Statistical Office; * Projection by the Federal Ministry of Finance

10 percentage points to 68.6% in 2021. Last year, the public debt-to-GDP ratio probably dropped, despite an overall public sector deficit of 2.6%. For 2023, the Federal Government's forecast for the Stability Council of December assumes a deficit of 4½% of GDP, and a rise in the debt-to-GDP ratio to around 70%. In the following years, a gradual reduction in the deficit and debt-to-GDP ratio is expected, down to 1½% and 67¼% of GDP respectively in 2026.

49. The more recent development in mortalities in Germany is also noteworthy. In contrast to general life expectancy, the indicator of **premature mortality** is focused more on the state of health of the working population. Until 2019, the number of deaths of people aged below 70 per 100,000 was falling, with a considerable gender-related disparity which was declining only marginally over time. In 2019, 271 men and 146 women aged below 70 died per 100,000 inhabitants. Following the emergence of the COVID-19 pandemic in 2020, the disparity widened again. As a result, premature mortality in 2021 compared with 2019 rose much more strongly for men (290, +7%) than for women (152, +4.1%).

50. An indicator that measures efficiency in the use of raw materials – throughout the entire production chain in Germany and abroad – is total **raw materials productivity**. Here, the price-adjusted value of domestic consumption, domestic investment and exports is contrasted with the mass of all abiotic and biotic raw materials used around the world to make the goods used in Germany. There are no new data since last year's Annual Economic Report, so that the last available data point is 2018 (126). Overall, total raw materials productivity grew

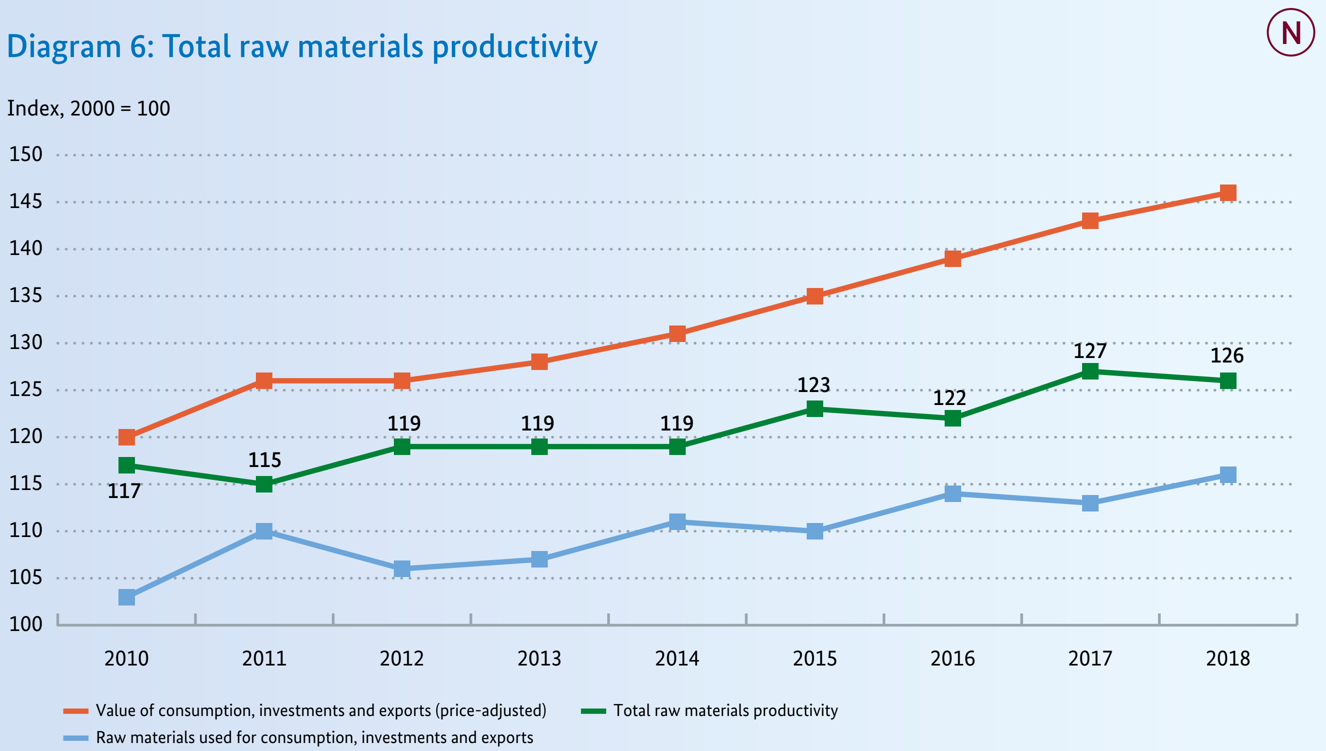
Diagram 5: Premature mortality



Source: Federal Statistical Office

by 9 percentage points in the period from 2010 to 2018. Average annual growth thus stood at around 0.9%, below the Federal Government's target path. To a large extent, however, the rise in total raw materials productivity is due to the expansion of GDP and only to a smaller extent to savings in the deployment of raw materials.

Diagram 6: Total raw materials productivity



Source: Federal Statistical Office

V. Selected aspects of the implementation of the European Pillar of Social Rights

51. The Federal Government supports the desire to further develop and strengthen the social dimension of the European Union by implementing all 20 principles of the European Pillar of Social Rights (EPSR). The aim of the EPSR principles is a strong social Europe which is just and inclusive and offers opportunities for all. The principles in the fields of equal opportunities and access to the labour market, fair working conditions and social protection and inclusion include: principles 4 ("active support to employment", e.g. by promoting further training) and 6 ("wages", e.g. minimum wage and free collective bargaining) or 15 ("old age income and pensions", which corresponds to contributions and ensures appropriate income). The COVID-19 pandemic underscored the central role of the state in coping with extraordinary crises and external shocks. Against the background of the current challenges, particularly the ecological transformation and the Russian war of aggression against Ukraine and the related burden on citizens and the effects on the labour market and the social security systems, the ongoing implementation of the EPSR has become more important.

52. Since the beginning of the 20th legislative term, the Federal Government has already adopted important measures which help to implement the EPSR. This includes for example the increase in the statutory minimum wage to €12 gross per hour on 1 October 2022, and the crisis-related continuation of relaxed access to short-time work allowance, and the opening up of short-time work benefits for temporary agency employees (both limited until the end of June 2023). The citizen's benefit, which is gradually being introduced on 1 January and 1 July 2023, gives people who are able to work and are receiving minimum state benefits better support towards permanent integration into the labour market as well as incentives and more possibilities for training.

53. Improvements have also been adopted for existing pensions on account of reduced earning capacity. Most recently, against the background of the current challenges since 2022, the Federal Government has provided wide-ranging relief packages to support citizens with the rising (energy) prices, to cut energy costs, and to safeguard jobs. In order to support low-income families, the Federal Government not least introduced a monthly immediate bonus of €20 for children, young people and young adults on 1 July 2022. The immediate bonus is an additional benefit for children, young people and young adults living with parents entitled to benefits under Social Code II, Social Code XII, the Act on Benefits for Asylum Applicants, child supplement or supplementary cost of living assistance under the Federal War Victims' Compensation Act. Some 2.9 million children and their families who are affected by poverty benefit from this. This assistance is to be provided until the basic child allowance is introduced. At EU level, too, measures have been adopted since April 2022 to implement the EPSR with the support of the Federal Government, such as the Council Recommendation on minimum income and the Directive [(EU) 2022/2041] on adequate minimum wages in the EU.

54. During the remainder of the legislative term, the measures to implement the EPSR include the following:

The coalition agreement provides for the strengthening of the statutory pension and the permanent securing of the minimum pension level of 48%. The contribution rate will not rise above 20% in this legislative term. Also, the launch of a partial capital-based pension in the context of the statutory pension system is envisaged. The capital stock is to be transferred to a public body as a permanent fund. Both projects are to be implemented in 2023.

The Federal Government will also strengthen occupational retirement provision. The previous system of private pension provision will be thoroughly reformed. To this end, consideration will be given to the offer of a publicly managed fund with an effective and low-cost offer with the possibility to reject the offer, and the statutory recognition of investment products with higher returns than the Riester system. Grandfathering rules will apply to existing Riester contracts.

In order to reduce the gender-specific wage gap between women and men, the Federal Government intends to further develop the Pay Transparency Act, which entered into force in July 2017. The basis for this is the findings and recommendations for action from a second evaluation. Also, the provisions of the EU Pay Transparency Directive are to be transposed.

55. Structural factors like the change in sectoral structure towards services and changed attitudes and behaviour on the part of corporate players are resulting in a reduced reach of collective agreements. Whilst in 2000, 68% of employees were employed by an employer subject to a collective agreement, the figure for 2021 was 52%. In the same period, the number of members in the German Trade Union Federation fell by 26%: from 7.7 million to 5.7 million. The Federal Government aims to strengthen free collective bargaining, social partners and the reach of collective agreements, whilst respecting free collective bargaining. The Federal Government also therefore aims to put policies in place for a high reach of collective agreements. In order to achieve this, public procurement by the Federation will be tied to compliance with a representative collective agreement in the respective sector, with the procurement decision depending on a simple, unbureaucratic declaration. Because the abandonment of collective agreements in corporate groups poses a social policy problem, the current collective agreement is to remain in force where business operations are hived off whilst remaining in the same ownership. Also, modern rules are to be introduced, giving trade unions digital access to the companies which corresponds to their analogue rights. This will enable the trade unions to work effectively in an increasingly digitalised world of work. Further to this, relaxed rules for the immigration of skilled and other labour from third countries are to be put in place for employers covered by collective bargaining; this can also help to increase the reach of collective agreements.

56. The Federal Government's national measures to implement the EPSR also contribute to the attainment of the 2030 social and employment policy goals to promote work and further training and to reduce poverty and social exclusion. The national 2030 targets were set with the involvement of the social partners and the social and welfare associations, and transmitted to the European Commission in May 2022.

Table I: Selected measures contributing to the implementation of the country-specific recommendations

THE COUNCIL OF THE EUROPEAN UNION […] HEREBY RECOMMENDS that Germany take action in 2022 and 2023 to:

CSR.2022.1

1. In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. Improve the tax mix for more inclusive and sustainable growth, in particular by improving tax incentives to increase hours worked. Safeguard the long-term sustainability of the pension system.

Subpart 1 (CSR.2022.1):

In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation.

No.	Measures	Select a measure type	Action Date
1.	Economic defence shield to mitigate rising energy costs and the most severe effects of the Russian war of aggression for households and companies: The reactivated and reoriented Economic Stabilisation Fund (WSF-Energy) is furnished with an additional loan authorisation of up to €200 billion for relief and stabilisation measures up to 30 June 2024. The possibilities to use the WSF-Energy are restricted to the following tasks: financing of state programmes to mitigate price rises in the purchase of gas and electricity by consumers and businesses (primarily the energy price brakes and stabilisation of the transmission network charges), support measures for companies that have encountered difficulties due to the energy crisis and for gas importers of relevance to market stability. The level of the spending depends not least on the development of energy prices. The measures are designed to retain incentives to save energy. The date of 4 November 2022 is the entry into force of the amendment of the Economic Stabilisation Fund Act, i.e. the broadening of the purpose of the Economic Stabilisation Fund.	Implemented	04.11.2022
2.	Three relief packages to ensure an affordable energy supply and to provide targeted support to household incomes, with a volume of almost €59 billion in 2023 alone: The measures include transfers (e.g. one-off payments, heating cost grant), tax relief (e.g. offsetting of fiscal drag, temporary VAT cut for gas and heat, and energy tax cut for motor fuel) and further relief (e.g. nationwide ticket for local public transport). The date 21 December 2022 refers to the entry into force of the 2022 Annual Tax Act, the last of the acts adopted relating to the relief packages in 2022.	Implemented	21.12.2022

No.	Measures	Select a measure type	Action Date
3.	Reassignment of the refugees from Ukraine from the legal provisions of the Act on Benefits for Asylum Applicants across to the legal provisions of Social Code II and Social Code XII: The Federation supports the Länder and municipalities with the financing of accommodation and care for the refugees from Ukraine. It thus relieves the Länder and municipalities of spending under the Act on Benefits for Asylum Applicants, as the refugees from Ukraine now receive citizens' benefit (basic security benefits for jobseekers under Social Code II) and social assistance under Social Code XII. This also applies to refugees from Ukraine following the reassignment from asylum benefits. The 2022 supplementary budget provided up to €2.5 billion for these measures.	Implemented	01.06.2022
4.	Bundeswehr special fund: The Bundeswehr special fund is an element of the urgently needed financing for defence projects in order to close existing Bundeswehr capability gaps as quickly as possible and to meet the NATO capability targets. The 2023 economic plan for the Bundeswehr special fund maps the current fully planned projects. It includes funding for development and procurement projects in the dimensions of "air", "command and control capability/digitisation", "land", "sea", and "research, development and artificial intelligence" and "clothing and personal equipment". The €100 billion allocated to the Bundeswehr special fund also includes the interest for the loan financing on the money and capital market.	Not defined	07.07.2022
Subpart 2 (CSR.2022.1): Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds.			
5.	Investment spending in the 2023 federal budget: Spending on investment in the federal budget (in the budgetary definition) is at a record level and will remain so in 2023 and throughout the financial planning period. In the 2022 budget year, investment amounted to €46.2 billion. In 2023, funding totalling €71.5 billion has been allocated. Adjusted for special factors of €17.3 billion, the investment spending totals approx. €52.4 billion. It settles down at around €52 billion a year during the financial planning period.	Implemented	01.01.2023
6.	Climate and Transformation Fund (special fund): The mandate in the coalition agreement to develop the Energy and Climate Fund into a Climate and Transformation Fund has been implemented in law. The designation and purpose of the special fund have been adjusted in order to permit a better and more flexible orientation to the climate targets in the Federal Climate Change Act and to focus on measures suited to driving Germany's transition to climate neutrality.	Implemented	22.07.2022
7.	German contribution to international climate funding: The German contribution to international climate funding stood at €8.1 billion in 2021, with €5.3 billion of this taking the form of budget funding including grant equivalents. Figures for climate funding in 2022 are still being collected. Chancellor Scholz has announced plans to further increase the German contribution to international climate funding from budget funding to at least €6 billion p.a. from 2025 at the latest, of which €1.5 billion is to go towards biodiversity funding. Germany is constantly increasing its contributions to international climate funding and is supporting developing and emerging economies, e.g. via Just Energy Transition Partnerships in climate action and the energy transition.	Announced	18.07.2022

No.	Measures	Select a measure type	Action Date
	Subpart 3 (CSR.2022.1): For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions.		
8.	The 2023 federal budget and the current financial plan up to 2026 form the financial basis for a gradual phase-out of the crisis-response measures and for a greater focus on expanding forward-looking investment and pressing ahead with the transformation. Compliance with the regular ceilings of the deficit rules will ensure the stability of the finances and thus the future capacity to act.	Adopted	01.07.2022
	Subpart 4 (CSR.2022.1): Improve the tax mix for more inclusive and sustainable growth, in particular by improving tax incentives to increase hours worked.		
9.	In the course of raising the minimum wage and the earnings limits for minijobs (to €520/month) and for the transitional phase ("midijobs", up further on 1 January 2023 to €2,000/month), the employees have been placed in an even better position than before, particularly in the lower transitional phase. The marginal burden imposed on transitioning to a job subject to social security contributions has been smoothed so that the contribution rate for employees starts at zero and rises steadily to the regular contribution rate at the ceiling of €2,000. The contribution paid by the employer at the bottom of the transitional phase is raised to 28% (as for the midijob); moving towards the ceiling, it merges with the regular employer's rate. This promotes the transition from a minijob into employment subject to social security contributions.	Implemented	01.10.2022
	Subpart 5 (CSR.2022.1): Safeguard the long-term sustainability of the pension system.		
10.	"Generational capital": The "generational capital", a capital fund to secure the future of pensions, is intended to broaden the basis on which the statutory pension insurance is financed. In addition to pension contributions and federal grants, it is also to be financed in the long term from revenues from a capital stock administered under public law. The partial capital-based coverage aims to slow the future development of pension contribution rates. A loan of €10 billion has been allocated in the 2023 federal budget for the establishment of the generational capital. The contribution is blocked until the statutory framework for the generational capital has been clarified. The action date cited here refers to the entry into force of the 2023 federal budget, in which the loan totalling €10 billion has been allocated for the generational capital.	Not defined	01.01.2023
	CSR.2022.3: 3. Remove investment obstacles and boost investment in very high-capacity digital communication networks. **Subpart 1 (CSR.2022.3):** Remove investment obstacles **Subpart 2 (CSR.2022.3):** and boost investment in very high-capacity digital communication networks.		

No.	Measures	Select a measure type	Action Date
11.	Federal Government gigabit strategy: Objective: nation-wide availability of optical fibre connections into the home and the latest mobile communications standard by 2030. Interim goal: supply 50% of all households and companies with optical fibre connections by 2025. The gigabit strategy measures support the private-sector roll-out and supplement it where necessary with optimised funding (funding of optical fibre roll-out and of mobile communications). The gigabit strategy comprises around 100 measures such as the acceleration of approval procedures, greater use of different line-laying methods, the collation of a gigabit real estate register and measures to improve the supply of mobile communications	Adopted	13.07.2022
	CSR.2022.4: 4. Reduce overall reliance on fossil fuels and diversify their imports by improving energy efficiency, incentivising energy savings, diversifying energy supplies and routes, removing investment bottlenecks, further streamlining permitting procedures, boosting investment in and accelerating the deployment of electricity networks and renewable energy, and further advancing participation in energy-related cross-border cooperation. **Subpart 1 (CSR.2022.4):** Reduce overall reliance on fossil fuels and diversify their imports		
12.	Revision of the Renewable Energy Sources Act: a) 2030 target: increase in the share of electricity consumption covered by renewable energies to 80% in 2030 (so far: 65%) b) Expansion paths: PV expansion: increase in target from 100 to 215 GW of installed capacity in 2030; onshore wind expansion: increase in target from 71 to 115 GW of installed capacity in 2030 c) The expansion of renewable energy is now in the overriding public interest, so that it is a priority interest when different interests which merit protection are weighed up. d) Numerous measures to accelerate the expansion (e.g. sufficient funding for roof-top PV installations and incentives to use existing roof space, expansion of the areas available for ground-mounted PV installations, improvements for less windy sites, especially in southern Germany, strengthening of the financial participation of municipalities, significant improvements for citizens' energy projects)	Implemented	01.01.2023
13.	Revision of the Offshore Wind Energy Act: Key points in the revision are increased expansion targets (at least 30 GW by 2030, at least 40 GW by 2035, and at least 70 GW by 2045), a recast of auction procedures, general strengthening of the interests of offshore wind energy and offshore connection lines, and acceleration of the procedures via streamlining and combining of the examinations.	Implemented	01.01.2023
14.	Entry into force of Federal funding for efficient heat networks (BEW): The BEW backs the building of new heat networks where renewable energy and waste heat sources will constitute a share of at least 75%, as well as the expansion and decarbonisation of existing networks up to 2045. In the period up to and including 2026, around €3 billion will be made available for renewable heat generation using geothermal energy, solar thermal energy, large-scale heat pumps, heat network infrastructure and efficiency measures in heat networks. The aim of the funding guideline is to install an average of up to 681 MW of renewable heat generation capacity a year, investments of an average of approx. €1,174 million a year, and a reduction of greenhouse gas emissions of approx. 4 million tonnes of CO_2 a year in 2030.	Implemented	15.09.2022

No.	Measures	Select a measure type	Action Date
	Subpart 2 (CSR.2022.4): : by improving energy efficiency, incentivising energy savings,		
15.	Ordinances to ensure the supply of energy in a supply crisis: Ordinances on measures effective in the short and medium term to ensure the supply of energy: EnsikumaV and EnsimiMaV (ordinances under the Energy Security of Supply Act). The date cited is the time of entry into force of the EnsikumaV. EnsikuMaV (Ordinance to ensure the supply of energy via measures effective in the short term): Measures effective in the short term to ensure the energy supply. Energy savings in buildings in the public arena. Period of validity: 01.09.2022–15.04.2023. EnsimiMaV (Ordinance to ensure the supply of energy via measures effective in the medium term): Measures effective in the medium term to ensure the energy supply. Optimisation of heating systems in buildings. Obligation for companies to implement energy efficiency measures. Period of validity: 01.10.2022– 30.09.2024.	Implemented	01.09.2022
16.	Energy Efficiency Act: the Energy Efficiency Act establishes the first cross-sectoral framework to boost energy efficiency. It is intended to support key requirements in the ongoing revision of the Energy Efficiency Directive and to make an important contribution towards the attainment of Germany's climate targets. The law is currently being coordinated between the ministries.	Announced	17.10.2022
17.	Federal funding for efficient buildings (BEG): The reform of the BEG places a clear focus on the improvement of the energy performance of buildings, ensuring the availability of funding to reach a wide base of recipients, and increased ambition via higher requirements. A rigorous focus is placed on sustainability and forward-looking viability. Special attention is paid to particularly energy-inefficient buildings. The aim is to save greenhouse gases, to contribute to energy efficiency and technology development, and to broaden the impact of the funding.	Implemented	01.01.2023
18.	Federal funding for efficient buildings – climate-friendly new buildings: the "Climate-friendly new building" programme was launched on 01.03.2023. The funding goes towards the creation of new residential space characterised by reduced GHG emissions in the life cycle, low primary energy requirements in the operational phase, an increase in the use of renewable energy and adherence to the principles of sustainable construction. This funding thus contributes to climate action and adherence to the national climate targets.	Implemented	01.03.2023
19.	Federal funding for energy and resource efficiency in business The federal funding for energy and resource efficiency in business has been a central instrument since 2019 to incentivise investments in GHG reduction and improvements in energy efficiency in the sectors of industry and commerce. A further revision in April 2023 is intended to allocate an additional €100 million to help small enterprises, and especially micro-enterprises, to switch equipment from oil/gas to electricity.	Announced	10.11.2022
	Subpart 3 (CSR.2022.4): diversifying energy supplies and routes,		
20.	Upgrading of the Rostock-Schwedt pipeline, crude oil supply to the Leuna and Schwedt refineries: The Rostock-Schwedt pipeline is to be upgraded in order to function without the import of Russian oil and at the same time to ensure the supply of (north) eastern Germany with motor fuel and other oil products. The PCK Schwedt refinery has previously only processed Russian crude oil. In future, it is to be supplied with non-Russian crude oil, primarily via the port of Rostock. The Federation is providing up to €400 million for this.	Adopted	20.01.2023

No.	Measures	Select a measure type	Action Date
21.	Expansion of LNG terminals, LNG infrastructure: The Federal Government is driving a rapid expansion of infrastructure. Five Floating Storage and Regasification Units (FSRUs) have been chartered by the Federation. In the winter of 2022/23, two FSRUs are coming/have come on stream, one in Wilhelmshaven and one in Brunsbüttel. Three further floating terminals will be installed in Stade, Lubmin and Wilhelmshaven in the winter of 2023/24. Furthermore, December 2022 saw the arrival of a first private FSRU in the port of Lubmin; it was opened on 14 January 2023. Further to this, three land-based LNG terminals are planned: one in Wilhelmshaven in 2025/26 which will recycle CO2, being intended primarily not for the supply of fossil-based LNG, but for a green, ecologically sustainable energy supply of LNG based on green hydrogen, plus two others, to be available from 2026 /2027 (Stade and Brunsbüttel).	Not defined	14.01.2023
	Subpart 4 (CSR.2022.4): removing investment bottlenecks, further streamlining permitting procedures, boosting investment in and accelerating the deployment of electricity networks and renewable energy,		
22.	Acceleration of electricity grid expansion (revision of the Energy Industry Act, Transmission Grid Expansion Acceleration Act, Federal Requirements Plan Act / “Easter Package” (in force from 29 July 2022); Act amending the Energy Security of Supply Act and Other Energy Industry Provisions): Procedures are being streamlined, and existing grids optimised. This is taking place via, for example, the increased requirement that electricity lines follow the lines of other linear infrastructure, identification of preferential areas without Federal Sectoral Planning, reduction of the examination of alternatives, relaxed rules on higher capacity utilisation of the grids, extension of the notification procedure, relaxed rules on premature commencement of construction, and hearing dates at the discretion of the authority. Also, the legal framework for distribution grid planning was revised in the interest of more forward-looking grid expansion.	Implemented	29.07.2022
23.	The Act on the Immediate Improvement of the Framework Conditions for Renewable Energy in Urban Planning Law stipulated the following in the interest of the expansion of renewable energy: 1. Swifter opening up of open-cast lignite mining areas for installation of PV/wind by Länder ordinances 2. Privileged rules for solar installations up to 200 metres away from autobahns and major railways; in such cases, there is no requirement to draft a local development plan. 3. Fitting of smaller electrolysers next to existing wind/PV installations without planning/planning changes	Implemented	01.01.2023
24.	Increase in availability of land for onshore wind energy and acceleration of the planning procedures: The Act to Increase and Accelerate the Expansion of Onshore Wind Energy implements the 2% target for onshore wind energy. In an Act on the Need for Wind Energy Sites, the Länder are given binding targets for onshore wind energy. The integration of the site targets into the Federal Building Code simplifies the planning procedures for wind energy sites and makes the procedures legally secure. The possibilities to restrict the repowering of existing installations under planning rules are largely abolished until the end of 2030; existing planning restrictions are reduced. Rules on the minimum distance to adjacent housing are only still possible if the site targets are being attained and the distances do not reduce the size of designated wind energy areas.	Implemented	01.02.2023

No.	Measures	Select a measure type	Action Date
	Subpart 5 (CSR.2022.4): and further advancing participation in energy-related cross-border cooperation.		
25.	Bornholm Energy Island cooperation project with DK Germany and Denmark are currently negotiating the implementation of the Bornholm Energy Island project. A Letter of Intent was signed in December 2020, followed by a Memorandum of Understanding in July 2022. According to this, approx. 3 GW of Danish offshore wind farms are to be connected to the Danish island of Bornholm by 2030. The electricity is to be transported to Germany (2 GW) and mainland Denmark (1.2 GW) via new connectors. Germany will gain access to imports of green electricity from Denmark via the cross-border cooperation. Also, the project boosts the integration of the internal market in electricity.	Announced	26.07.2022
26.	New interconnector projects The revision of the Federal Requirements Plan stipulates in law five additional interconnector projects (projects between Germany and: Belgium, France, Netherlands, Sweden and Switzerland). This means that Germany is increasing the number of statutorily prescribed interconnector projects to 19, of which six are already in operation. The measures adopted in the Easter Package also help to expedite interconnector projects.	Adopted	29.07.2022
27.	Climate and energy partnerships Conclusion of new bilateral energy partnerships and hydrogen agreements with countries inside and outside Europe. As part of the existing German-Ukrainian Energy Partnership, for example, the Federal Government provided more than €150 million in support of Ukraine in 2022. The funds are being used to finance the purchasing of spare parts and fuel in particular, which are necessary for the continued operation of the Ukrainian energy system given the Russian attacks on Ukraine's critical infrastructure.	Implemented	Diverse data

Table II: Progress on implementation of GRRP (status: 12.03.2023)

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2022.4.1 CSR 2022.4.5 CSR 2020.2.3 CSR 2020.2.4 CSR 2019.1.5 CSR 2019.1.6	Hydrogen projects in the IPCEI context	Conclusion of call for expressions of interest	Q2/2021	Completed
		Issuing of first funding notices	Q1/2022	Not completed
		Funding commitment of at least €500,000,000	Q2/2024	Not completed
		Evaluation of funding programme	Q4/2025	Not completed
		Funding commitment of at least €1,500,000,000	Q3/2026	Not completed
		Creation of at least 300 MW of electrolysis capacity	Q3/2026	Not completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2020.2.8 CSR 2020.2.4 CSR 2019.1.3 CSR 2019.1.6	Decarbonisation in industry funding programme	Entry into force of the decarbonisation in industry funding guidelines	Q1/2021	Completed
		Issuing of funding notices	Q4/2024	Not completed
		Funding being disbursed to assisted projects	Q3/2026	Not completed
		Reduction of GHGs in industry	Q3/2026	Not completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2020.2.4 CSR 2019.1.6	Carbon Contracts for Difference pilot programme	Conclusion of call for expressions of interest for CcfDs	Q4/2021	Completed
		Funding guideline for Carbon Contracts for Difference pilot programme	Q3/2022	Not completed
		Funding being disbursed to assisted projects	Q3/2026	Not completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2020.2.4 CSR 2020.2.8 CSR 2019.1.3 CSR 2019.1.6	Project-related research (into climate action)	Approval of applications for funding of climate-related research projects	Q4 2021	Completed
		Funding being disbursed to assisted projects	Q4 2025	Not completed
		Conclusion of assisted climate-related research projects	Q4 2025	Not completed
CSR 2022.4.1 CSR 2022.4.3 CSR 2020.2.8 CSR 2020.2.4 CSR 2019.1.3 CSR 2019.1.6	Flagship projects on research and innovation in the context of the National Hydrogen Strategy	Call for “Hydrogen Republic Germany” competition for ideas	Q2/2020	Completed
		Issuing of funding notices	Q2/2022	Completed
		Completion of assisted projects	Q3/2026	Not completed
		Funding being disbursed to assisted projects	Q3/2026	Not completed
		Allocation of funding for flagship projects on research and innovation	Q3/2026	Not completed
CSR 2022.4.1 CSR 2022.4.3 CSR 2020.2.3 CSR 2020.2.4 CSR 2019.1.5 CSR 2019.1.6	Support for construction of fuelling and charging infrastructure	Entry into force of the funding guidelines	Q4/2021	Completed
		Expansion of public charging network for electric vehicles	Q4/2025	Not completed
		Roll-out of charging points at residential buildings	Q4/2023	Not completed
CSR 2022.4.1 CSR 2022.4.3 CSR 2020.2.3 CSR 2020.2.8 CSR 2019.1.3 CSR 2019.1.5	Electric mobility funding guideline	Entry into force of the funding guideline	Q4/2020	Completed
		Allocation of funding	Q4/2022	Completed
		Establishment of municipal and commercial eMobility fleets	Q2/2024	Not completed
		Completion of the provisional eMobility concepts	Q2/2024	Not completed
CSR 2022.4.1 CSR 2022.4.3 CSR 2020.2.3 CSR 2019.1.5	Support for the replacement of private-sector vehicle fleets	Support for purchase of 240,000 electric vehicles	Q1/2021	Completed
		Support for purchase of 320,000 more electric vehicles	Q4/2022	Completed

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2022.4.1 CSR 2020.2.3 CSR 2019.1.5	Extension of deadline for first registration for the granting of 10-year tax exemption for pure BEVs	Entry into force of the Seventh Act Amending the Motor Vehicle Tax Act	Q4/2020	Completed
		Evaluation of the measure	Q1/2026	Not completed
CSR 2022.4.1 CSR 2022.4.3 CSR 2020.2.1 CSR 2020.2.3 CSR 2019.1.5	Funding for the purchase of buses with alternative drivelines	Funding guideline published	Q3/2021	Completed
		Approval of applications	Q3/2025	Not completed
		Placing of orders for the buses with alternative drivelines	Q3/2026	Not completed
CSR 2022.4.1 CSR 2020.2.3 CSR 2019.1.5	Support for the funding of alternatively fuelled rolling stock	Entry into force of the funding guideline	Q1/2021	Completed
		Approval of applications	Q3/2024	Not completed
		Placing of orders for alternatively fuelled rolling stock	Q4/2024	Not completed
CSR 2022.4.1 CSR 2022.4.5 CSR 2022.4.3 CSR 2020.2.3 CSR 2019.1.5	Funding for the vehicle and component industry for hydrogen and fuel cell applications in transport	Entry into force of the change to extend existing funding guidelines of the National Hydrogen and Fuel Cell Technology Innovation Programme (or publication of new funding guidelines if projects inadequately covered by existing funding guidelines). Publication in the Federal Gazette	Q4/2021	Completed
		Approval of projects for the vehicle and component industry for hydrogen and fuel cell applications in transport	Q4/2025	Not completed
		Establishment of a Center of innovation and technology for hydrogen technology	Q3/2026	Not completed
CSR 2022.4.2 CSR 2020.2.6 CSR 2019.1.7	Further development of climate-friendly construction using timber	Funding guideline for the funding of climate-friendly construction using timber	Q1/2021	Completed
		Approval of projects relating to climate-friendly construction using timber	Q2/2022	Completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2022.4.3 CSR 2020.2.4 CSR 2020.2.8 CSR 2019.1.3 CSR 2019.1.6	Municipal regulatory sandboxes for the energy transition	Approval of the regulatory sandbox projects	Q4/2023	Not completed
		Completion of the urban neighbourhood projects	Q1/2026	Not completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2020.2.4 CSR 2020.2.6 CSR 2019.1.6 CSR 2019.1.7	CO_2 Building Renovation: Federal funding for efficient buildings – innovation promotion	Funding guideline for Federal funding for efficient buildings – residential buildings	Q3/2021	Completed
		Completion of the energy-efficient retrofitting of 10,000 residential units	Q4/2024	Not completed
		Completion of the energy-efficient retrofitting of 30,000 more residential units	Q2/2026	Not completed
CSR 2020.2.5 CSR 2020.2.8 CSR 2019.1.3 CSR 2019.1.4	An innovative data policy for Germany	Project launch	Q4/2022	On track
		Establishment of staff resources and skills in the federal ministries	Q3/2026	Not completed
		Funding implementation – disbursement of at least €464,400,000 for the assisted projects	Q3/2026	Not completed

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2020.2.5 CSR 2020.2.7 CSR 2020.2.8 CSR 2020.2.9 CSR 2019.1.2 CSR 2019.1.3 CSR 2019.1.4	IPCEI on microelectronics and communication technologies	Substantive details of the envisaged IPCEI	Q2/2021	Completed
		Launch of first projects	Q4/2022	Not completed
		Funding implementation – disbursement of at least €1,275,000,000 for the assisted projects	Q3/2026	Not completed
CSR 2022.4.1 CSR 2022.4.2 CSR 2020.2.4 CSR 2020.2.6 CSR 2019.1.6 CSR 2019.1.7	IPCEI on next generation of cloud infrastructure and services (IPCEI-CIS)	Launch of R&D and R&I projects	Q4/2022	Not completed
		Completion of R&D and R&I projects and launch of large-scale piloting of use cases	Q4/2024	Not completed
		First industrial deployment of solutions developed in context of the measure	Q3/2026	Not completed
		Funding implementation – disbursement of at least €637,500,000 for the assisted projects	Q3/2026	Not completed
CSR 2020.2.5 CSR 2020.2.8 CSR 2020.2.10 CSR 2019.1.3 CSR 2019.1.4 CSR 2019.1.5	Vehicle manufacturers/ component suppliers investment programme	Publication of all funding guidelines	Q1/2021	Completed
		Approval of the projects	Q1/2023	Not completed
		Successful completion of the projects	Q3/2026	Not completed
CSR 2020.2.1 CSR 2020.2.3 CSR 2020.2.8 CSR 2019.1.3 CSR 2019.1.4 CSR 2019.1.5	Federal programme “Establishment of further training alliances”	Funding guideline published	Q2/2020	Completed
		Active participation of additional companies in the further training alliances	Q4/2022	Completed
		Revision or redesign of further training measures or partial modules resulting from the work of the further training alliances	Q4/2024	Not completed
CSR 2020.2.3 CSR 2020.2.7 CSR 2019.2.5 CSR 2019.2.6	Centre for Digitisation and Technology Research of the Federal Armed Forces	Launch of research projects	Q1/2021	Completed
		Report on research and transfer outputs	Q4/2023	Not completed
		Continuation of projects	Q2/2024	Not completed
		Funding implementation – disbursement of at least €700,000,000 to the recipients	Q3/2026	Not completed
		Report on research and transfer outputs	Q3/2026	Not completed
CSR 2020.2.8 CSR 2019.1.4 CSR 2019.1.3	Funding of digitisation of the railways by replacing conventional points/rapid programme to accelerate the roll-out of the Digital Rail for Germany	Signing of the financing agreement for the rapid programme between Federation and Deutsche Bahn AG	Q4/2020	Completed
		Interim report on implementation	Q2/2021	Completed
		Successful completion of the pilot projects	Q4/2021	Not completed
CSR 2020.2.5 CSR 2020.2.7 CSR 2019.1.2 CSR 2019.1.4	Teachers’ terminal equipment	Administrative agreement	Q1/2021	Completed
		Disbursement of at least €475,000,000 for the assisted projects	Q1/2022	Completed
		Evaluation of the changes in the digital infrastructure and the use of digital media in schools	Q4/2025	Not completed

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2020.2.5 CSR 2020.2.7 CSR 2020.2.8 CSR 2019.1.2 CSR 2019.1.3 CSR 2019.1.4	Education platform	Entry into force of the funding guideline for prototypes for the education platform and launch of call for tenders	Q1/2022	Completed
		Beta launch of education platform	Q3/2023	Not completed
		Final evaluation report with decision on future of the education platform	Q3/2024	Not completed
CSR 2020.2.5 CSR 2020.2.7 CSR 2019.1.2 CSR 2019.1.4	Centres of educational excellence	Entry into force of the first funding guidelines and invitation for tenders for an overall project manager	Q4/2021	Completed
		Approval of at least 45 research projects	Q3/2022	Completed
		Entry into force of three more funding guidelines	Q3/2022	Completed
		Completion of research projects	Q3/2026	Not completed
CSR 2020.2.5 CSR 2020.2.7 CSR 2019.1.4 CSR 2019.2.1	Modernisation of educational facilities of the Federal Armed Forces	Project contract signed	Q1/2021	Completed
		Analysis of the educational facilities and identification of their IT needs	Q1/2022	Completed
		Completion of modernisation of the 60 educational facilities	Q1/2023	Not completed
CSR 2020.2.7 CSR 2019.2.3 CSR 2019.2.6 CSR 2019.1.2	Child-care expansion special fund – investment programme for funding of child-care services 2020/21	Entry into force of the Act on Financing Child Care and the Act on Federal Assistance and the implementation rules at Länder level	Q4/2020	Completed
		Publication of the interim reports in line with Act on Federal Assistance for the Expansion of Child Day-Care	Q4/2023	Not completed
		Completion of all measures	Q4/2025	Not completed
CSR 2022.1.4 CSR 2020.2.5 CSR 2020.2.7 CSR 2019.1.2 CSR 2019.1.4 CSR 2019.2.5 CSR 2019.2.6	Social guarantee 2021	Examination of the average social insurance contribution rate for 2021	Q4/2021	Completed
CSR 2019.1.8 CSR 2019.2.1 CSR 2019.2.2 CSR 2019.2.5	Support for trainees	Entry into force of the revised funding guidelines and the federal programme “Safeguard vocational training places”	Q2/2021	Completed
		Funding disbursement for the federal programme “Safeguard vocational training places”	Q4/2022	Completed
		Funding notices for applications under the federal programme “Safeguard vocational training places”	Q4/2022	Completed
CSR 2020.2.7 CSR 2019.1.2 CSR 2019.2.6	Support for school students who have fallen behind with learning due to pandemic	Agreement between the Federal Government and the *Länder* on the provision of support with learning for school students who have fallen behind with learning due to pandemic	Q2/2021	Completed
		1,000,000 school students have received help with learning	Q3/2022	Completed

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2022.1.5 CSR 2020.2.9 CSR 2019.1.4 CSR 2019.2.4	Digital pension overview	Entry into force of Digital Pension Overview Act	Q1/2021	Completed
		Completion of development and first operational phase	Q4/2023	Not completed
		Completion of implementation of improvements deriving from the practical experience with the first operational phase	Q1/2026	Not completed
CSR 2020.1.2 CSR 2020.2.8 CSR 2019.1.3	Digital and technical strengthening of the public health service	Comprehensive nationwide use of the electronic reporting and information system for protection against infection (DEMIS)	Q1/2021	Completed
		Progress of public health offices to digital maturity	Q1/2024	Not completed
		Further progress of public health offices to digital maturity	Q3/2026	Not completed
CSR 2020.1.2 CSR 2020.2.9 CSR 2019.1.4	Hospital Future Programme	Applications submitted to the Federal Office for Social Security totalling at least €2,700,000,000	Q2/2022	Completed
		Boosting the digital maturity of at least 35% of all hospitals	Q4/2023	Not completed
		Implementation of at least 75% of the relevant digitisation projects	Q3/2026	Not completed
CSR 2020.1.2 CSR 2020.2.5 CSR 2019.1.1 CSR 2019.1.4	Special programme to accelerate research and development in search of urgently needed vaccines against SARS-CoV-2	Approval of a first vaccine against SARS-CoV-2 by the regulatory authority	Q4/2020	Completed
		The application for approval of a vaccine against SARS-CoV-2 is submitted to the European Medicines Agency by a second funded vaccine candidate	Q3/2021	Not completed
		Disbursement of at least €712,500,000 for the vaccine research supported by this special programme	Q3/2022	Not completed
		End of programme	Q4/2022	Not completed
CSR 2020.2.9 CSR 2019.1.4	European identity ecosystem	Launch of digital hotel check-in pilot project	Q3/2021	Completed
		Completion of additional application cases funded by the government as well as the hotel check-in pilot project	Q3/2022	Not completed
		Making available of further applications beyond pilot applications, the implementation of which is being barely funded or not funded at all.	Q4/2024	Not completed
CSR 2020.2.11 CSR 2020.2.9 CSR 2019.1.4	Digitisation of administra-tion – implementation of the Online Access Act	Conclusion of the individual agreements between the lead ministry and the lead *Land*	Q3/2021	Completed
		Going live of Online Access Act services	Q4/2021	Completed
		Nationwide digitisation of the federal administrative services as one-for-all services	Q4/2022	Not completed
CSR 2020.2.11 CSR 2020.2.9 CSR 2019.1.4	Administrative digitisation – implementation of the register modernisation (Register Modernisation Act)	Conclusion of pilot projects to trial pilot registers	Q4/2023	Not completed
		Completion of the implementation of the uniform architecture to promote the once-only principle	Q4/2023	Not completed
		Priority connection of highly-used registers to the once-only target architecture	Q4/2025	Not completed

CSR number	Measure	Milestone /target	Timeline for attainment	Status in Fenix
CSR 2022.3.1 CSR 2022.4.4 CSR 2020.1.1 CSR 2020.2.2 CSR 2020.2.2 CSR 2020.2.6 CSR 2020.2.9 CSR 2020.2.11 CSR 2019.1.1 CSR 2019.1.4 CSR 2019.1.7 CSR 2019.2.5	Joint Federation/*Länder* programme for an efficient, citizen- and business-friendly administration	First progress report for the Conference of Minister-Presidents	Q2/2021	Completed
		Second progress report for the Conference of Minister-Presidents	Q2/2022	Not completed
		Completion of the measures contained in the progress report	Q1/2025	Not completed
CSR 2020.2.5 CSR 2020.2.7 CSR 2020.2.9 CSR 2020.2.11 CSR 2019.1.1 CSR 2019.1.2 CSR 2019.1.4 CSR 2019.2.6	Expansion of consultancy services from PD: effective funding management	Launch of consultancy services provided by PD for selected funding programmes	Q4/2022	Completed
		Completed consultancy services	Q3/2024	Not completed
		Development of revision concepts for the funding programmes	Q3/2024	Not completed
		Information dissemination via lessons learned	Q3/2026	Not completed
	Expansion of consultancy services from PD: consultancy on IT in schools	Completed consultancy services	Q3/2026	Not completed
		Roll-out and pilot consultancy services for IT in schools	Q4/2022	Completed
		Development of model concepts	Q3/2024	Not completed
		Consultancy services for school managers on IT in schools	Q3/2024	Not completed
CSR 2020.2.3 CSR 2020.2.11 CSR 2019.1.1 CSR 2019.1.5	Acceleration of the planning and approval procedure in the transport sector	Entry into force of the Investment Acceleration Act, the Planning Acceleration Act III and the Measure Act Preparation Act	Q4/2020	Completed
		Evaluation of changes to law	Q3/2026	Not completed

bmwk.de