

Berlin Perspectives

Analysing German European Policy

Germany's EU Climate Policy: A Call to Action

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Recommendations for Germany's EU climate policy after the European Parliament elections in June 2024 :

The current five-year term of the European Parliament was challenging, but also marked by commitments to climate protection, ecology and sustainability. While Germany has supported important improvements at the European Union level, it has not fully exhausted its potential to shape a more ambitious and cooperative European climate agenda. Now the challenge is to implement agreed targets in a way that enables EU citizens to see their benefits. Prosperity and stability depend on a successful implementation of the Fit for 55 agenda. Further developing the EU's climate targets and instruments is key for not losing the fight against the climate crisis and for strengthening the EU's economic competitive advantages.

From the Green Deal to the 2040 climate target

With the European Green Deal, one of the broadest sets of climate policies ever seen, the European Union has set a pathway towards achieving climate neutrality by 2050. Since Russia's invasion of Ukraine, it has not backtracked, and even shifted up a gear in climate policy with the REPowerEU package to respond to the energy crisis. However, the implementation is not yet at full speed. Before the European Parliament elections in June 2024, the European Commission has to present a proposal for the EU's climate target for 2040 as requested by the European Climate Law. It may also present a target for 2035 in accordance with the United Nations Framework

Convention on Climate Change's five-year common time frames. Over the last months, think tanks, civil society and political actors also presented their proposals for 2040, with a 85–95 per cent range for the reduction of greenhouse-gas emissions compared to 1990. According to the [European Scientific Advisory Board for Climate Change](#), the EU should reduce its emissions by 90–95 per cent by 2040 as part of its fair share in the global fight against the climate crisis, and it should also significantly step up its engagement with non-EU countries to accelerate climate action globally. This scientific advice is based on criteria such as feasibility, environmental risks and the challenges associated with scaling up technologies such as solar, wind and hydrogen energy in the short term.

However, 2023 has also seen considerable criticism of the EU's increased climate ambition. Some political actors like France's President Emmanuel Macron or Belgium's Prime Minister Alexander De Croo have called for a regulatory 'pause'. The debates in the next legislative cycle will be challenging; for example, on the 2040 climate target and the framework for reaching it or on the [insufficient implementation](#) of the Fit for 55 package, the EU's updated climate and energy legal architecture for 2030. Therefore, there is a need for strong champions at the level of the EU to reaffirm its global leadership in the fight against climate change. Germany as the biggest economic force in the EU has to fulfil the high expectations of the international community.

Germany's position: Reaction instead of action

Germany has been actively engaged in EU climate policy and is committed to achieving a climate-neutral economy. The current term of the European Parliament was special for Germany. During this term, Berlin held the presidency of the Council of the EU in 2020, and a new coalition government took office in 2021 with a different vision for European policy.

Until 2021, Germany focused on maintaining the status quo by keeping the EU together and making it crisis-resistant, without developing further ideas. During its council presidency, it had the opportunity to present itself as a climate pioneer, but its agenda was unfortunately dominated by the need to mitigate the economic crisis caused by the Covid-19 pandemic and by the negotiations on the direction of the EU budget. Under Germany's presidency, the member states agreed on an emissions-reduction target of at least 55 per cent by 2030. This falls far short of the EU's fair international share in order to reach [the 1.5-degree global warming target](#). Still, it was an important decision before the fifth anniversary of the Paris Agreement and a big step forward on the road to reaching climate neutrality in the EU by 2050.

When it took office in 2021, Germany's traffic light three-party government committed itself to an 'active European policy' and to a 'constructive claim to shaping the EU' in its coalition treaty. However, the government currently is undertaking an intense discussion on how to reach its domestic climate targets, which has led to mistrust among the coalition partners and a [lower level](#) of public approval for climate ambition. There is not much time or capacity left to fulfil the promise in the coalition agreement of better and early coordination with other member states. Germany often only begins to participate in ongoing debates at the EU level after a long process of internal coordination, and it is thus not able to shape debates early on with own initiatives. This is an approach more of reaction than of action.

Germany played an important role in the negotiations on the Fit for 55 package in 2022 and 2023, but it was not the main driver and at times not even the supporting one. The most disappointing decision during the trilogue phase was Germany's [unexpected last-minute refusal, effectively driven by the Free Democratic Party \(FDP\), to back a ban on the sale of new combustion engine cars by 2035](#), which has led to a postponement of the vote. The FDP even called for the withdrawal of the European Commission's proposal regarding the directive on the energy performance of buildings, even though the coalition treaty said the government would support the proposals of the commission in the building sector. Moreover, Germany prevented a better compromise on the reduction of the free allocation of allowances under the EU Emissions Trading System (ETS) to industry and the Social Climate Fund, a move that almost killed the project of establishing an ETS for buildings and road transport. Germany has

committed to a stronger collaboration with France, but due to the unresolved nuclear energy issue, their relationship is very fragile and hinders coordination between the two countries. For instance, the Franco-German inter-ministerial, high-level Meseberg Climate Working Group on climate change, which could help to close the gap in energy transition concepts for Europe, has not met since 2021.

Germany also failed to submit its 2030 National Energy and Climate Plan (NECP), the framework for member states to outline their climate and energy goals, policies and measures from 2021 to 2030, on time to the European Commission. The Federal Ministry for Economic Affairs and Climate Action did not organize the obligatory open public consultations before publishing the NECP draft, which violates Article 10 of the Regulation on the Governance of the Energy Union and Climate Action. Against this backdrop, Germany cannot be a role model for respecting the Regulation on the Governance of the Energy Union and Climate Action.

Bridging divides: Germany's ambitious and active role in shaping EU Climate Policy

The results of the coming European Parliament elections can impact future climate action in Europe. According to [the latest projections](#), parties that more or less support climate ambition will have fewer seats in the next parliament. In combination with increased divergences between member states in terms of transformation goals and speed, this would make the negotiations on new frameworks for EU energy and climate policy even more challenging. But the climate crisis is and will remain a top priority on the global agenda and for EU citizens. A fragile and divided EU is not in Germany's interest. If Germany really wants to become a guarantor of stringent EU climate policy, it must now step up its strategic actions. It has to be at the centre rather than at the edge of EU climate policy-making.

To achieve this, Germany should build bridges between two opposing camps – ecologically progressive countries like the Scandinavian countries and environmental sceptics like Hungary, Italy and Romania – to tackle the emerging polarization among member states in climate policy. While Germany should be ambitious, it should engage more in dialogue with sceptical member states, starting in listening mode. Additionally, it should develop inclusive implementation instruments or prepare solutions for economically weaker EU countries to ensure the social well-being of all citizens in the transition to a climate neutral economy. The domestically dominated climate debates and solo attempts of Germany's government send the wrong signals to its European partners. A dialogue and early coordination with the closest partners at the EU level has to remain its main goal. Failure in this regard would have a negative impact on Germany's role as a reliable and active partner in the EU. Germany should establish collaboration links with

France and Poland, including in the [Green Weimar Triangle](#), to further develop the EU's climate framework and provide the EU with urgently needed consensus in its geographical core and linchpin region as an important step to advance climate policy in Europe.

Furthermore, Germany should take a leadership role in the implementation of a socially fair and solidarity-based European Green Deal in the next EU legislative cycle, and engage more in developing and coordinating an ambitious climate agenda. This concerns in particular:

- **Post-2030 climate and energy framework:** Germany should support the European Commission in initiating a new cycle of legislative action in climate policy. It should commit to ambitious 2035 and 2040 EU climate targets. Together with climate champions like Denmark, Germany should support the European Commission to provide a stringent proposal for the next climate target based on the feasibility-checked June 2023 recommendations of the European Scientific Advisory Board for Climate Change. Beyond this, Germany must be a driver of the 2040 climate and energy framework.
- **A climate-neutral industrial powerhouse:** Germany should support a strong EU industrial policy to achieve climate neutrality and to attract investment into sustainable industries and jobs. To achieve this, the EU should not enter into a subsidy race, but instead build on and complement its more diverse policy mix, putting the circular economy at the heart of the industry transition.
- **[Rail renaissance:](#)** Germany could propose an initiative with France and Poland, and an active role for Brussels, to ramp up the inter-European rail system as an alternative to flights. At the same time, it should advocate the inclusion of the actual costs of flights in ticket prices to ensure fair competition between the rail and air sector.
- **Better governance for more coherence and stringency of EU climate policy:** The upcoming revision of the Regulation on the Governance of the Energy Union and Climate Action is an opportunity to introduce additional measures to fill the glaring ambition gaps in member states' NECPs. Germany should support a binding mechanism to require the member states to meet existing targets and obligation to climate laws at the national level. It should also push for a requirement in the Governance Regulation for every member state to chart a path via integrated, coherent and aligned planning, reporting and monitoring of progress towards climate neutrality at the national level, and for the European Commission to do the same at EU level. Germany should also propose solutions to improve the NECP development process to make it more transparent, inclusive and binding.

- **Ambitious and socially just implementation of Fit for 55:** With the expansion of renewable energies across the EU and advanced energy-efficiency efforts, Germany should ensure that the Fit for 55 package contributes not only to the EU's 2030 climate target, but goes beyond it. This is especially important in the area of the new ETS for buildings and road transport. The analysis of the social and acceptance dimension of this policy and the design of according measures – for example, in member states' Social Climate Plans – should be a priority in the coming months. Germany should assist the European Commission in stepping up support especially for less rich member states on this way.

With only six months left until the European Parliament elections, Germany's government must increase its efforts to overcome its internal challenges and to be more engaged early-on in shaping EU climate policy after June 2024. Europe needs a strong and united German voice to move its climate agenda forward.

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