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The fight against climate change: keystone of the next federal government in Germany?

Authors

Nicolas Berghmans

Director, New industrial policies programme

Murielle Gagnebin

Project Manager Franco-German Energy Policy, Agora Energiewende

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In the course of a campaign full of twists and turns, the fight against climate change has emerged as one of the major subjects of the German political debate. The challenge is great, as decarbonization in Germany and the rest of the European Union is currently too slow and a change of gear in all sectors will be necessary if Germany is to meet its 2030 and 2045 climate targets. Will the pressure of the Karlsruhe Constitutional Court ruling, the Fridays for Future youth movement, and the increased focus of most German political parties turn good intentions into results? As negotiations begin to form a coalition government in Germany, this blog post takes stock of the main lessons from the election, what remains to

be negotiated and what this could mean for France and the rest of Europe.

Climate: Germany's back against the wall

Germany, like all European countries, is now faced with the challenge of accelerating the reduction of its greenhouse gas (GHG) emissions in order to meet its own climate targets and contribute to the collective objective of the Paris Climate Agreement. These targets were recently increased to -65% GHG emissions in 2030 compared to 1990 and to climate neutrality in 2045, following the decision of the Karlsruhe Constitutional Court in April 2021 which, on the basis of the rights of future generations, overturned the German climate law. This decision has significantly increased the pressure to increase the ambition of climate policies and meet global, European and national climate targets. However, if Germany has reached its 2020 target of a -40% reduction in GHG emissions compared to 1990, this is largely due to the cyclical factor and the impact of the Covid-19 health crisis on economic activity, which caused GHG emissions to plummet by 8.7% between 2019 and 2020 alone. The crisis being over, a rebound in emissions is already underway since 2021, showing that most of these reductions are not based on structural measures and are therefore not sustainable. Leaving aside the impact of the health crisis, the pace of GHG emission reductions remains insufficient today and should double to -28 million tCO₂ per year between 2021 and 2025, and then -41 million tCO₂ between 2026 and 2030 in order to achieve these new climate targets. This is a major challenge, half of which will be based on decarbonizing the German power system and the other half on reducing emissions in the building, transport and industry sectors, where reductions have so far been too slow or even increasing. In the transport sector, for example, the increase in vehicle traffic and vehicle weight has so far thwarted progress in vehicle efficiency.

A political debate that includes the climate issue

In this context, the election campaign has put the fight against climate change at the heart of the political debate. The climate mobilisations of the youth movements and the consequences of the catastrophic floods in the Rhine Valley in July 2021 have helped to make the climate and the environment the [main concern of German voters](#). This growing awareness has prompted all parties to put together [substantiated proposals](#) on the subject, enabling a discussion on the implementation of concrete measures to be launched quickly—provided that they are included in the government agreement—and reflecting different visions of how to combat climate change. As the German federal elections have resulted in an unprecedented political situation that could see the formation of a three-party coalition for the first time, climate policy could become the keystone of the government agreement.

The programmatic differences are real on the climate between the parties, and the balance will depend on the ability to find a compromise, especially between the FDP Liberals and the Green Party, which are in a central position to enter the government with the Social Democrats (SPD), if not with the conservatives (CDU/CSU). Three key points seem to emerge and will be at the heart of the negotiations for the coming weeks. Firstly, the raising of the trajectory of the national carbon price for buildings and transport, in force since January 2021 and desired by the ecologists, while the other parties want to maintain the status quo. Secondly, the policy mix for decarbonisation of transport around the pace of strengthening the carbon price on transport and regulation on GHG emission standards and the end of thermal vehicles by 2030 pushed by the ecologists. Finally, innovation and investment in disruptive low-carbon technologies such as hydrogen and carbon capture and storage will be at the heart of German industrial policy, on which there is a consensus between the various parties.

While the timetable for phasing out coal will be central to German energy policy over the next few years, it is likely to accelerate in any case as a result of the various mechanisms in place and is unlikely to be the focus of the forthcoming negotiations. Differences may arise over the role of the state in climate policies and their financing, while a [a recent study by Agora Energiewende](#) estimated at 46 billion euros per year the need in public investments between 2021 and 2030 to achieve the 2030 objective, i.e. 3 times more than planned today

What consequences for the Green Deal?

The next German government's decisions on carbon pricing, vehicle standards, and volumes of public investments will also have an impact on the European discussion on [the "Fit-for-55" climate package](#). In particular, the campaign has shown that German political parties have changed their position on the implementation of a carbon adjustment at the borders, viewing it more positively whereas Germany had previously been more reserved because of the risk of trade retaliation. The stakes are high, as the Fit-for-55 measures must be implemented quickly in order to be fully effective at national level in less than 10 years. In this respect, the rapid conclusion of a coalition contract for a next government would be good news to enable progress to be made on the implementation of this package of measures that are crucial to the implementation of the European Green Deal.

Finally, the position of the new coalition on the scale of public investment in favour of Germany's ecological transition could have an impact on European fiscal policy, which is crucial for the continuation and strengthening of investment in Europe. While it seems more necessary than ever to invest today to limit the costs of climate change tomorrow, [the debate has been launched](#) on a reform of the pact that would allow the effort to be maintained beyond the 2-year recovery plan.

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