

BLOG POST June 27th 2024

Strengthening Franco-German cooperation to promote the ecological transition

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 Reading time: 8 min

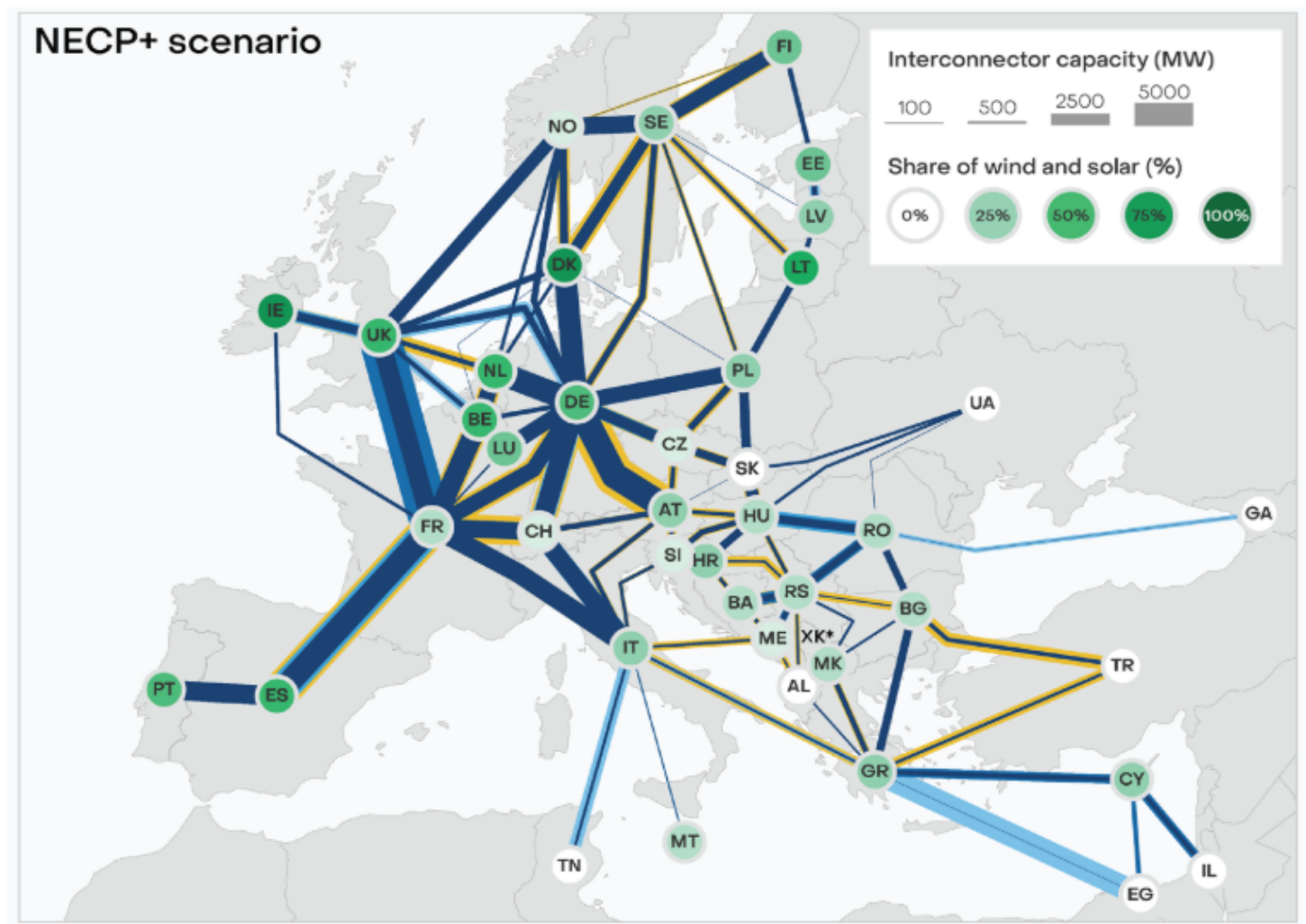
Long considered to be the driving force of European integration, the Franco-German partnership has encountered serious difficulties in recent years. Europe finds itself at a critical juncture with respect to the future of the Union's project [following turbulent elections](#). At such a time, strengthening Franco-German cooperation is essential to turning the ecological transition into a key lever for European competitiveness and industrial strategy. While the electricity transition has historically been a source of discord between the two countries, it could well be at the heart of renewed Franco-German cooperation, around three key issues: the rapid electrification of the economy, the development of industrial sectors linked to low-carbon energies and the development of electrical flexibilities.

The Franco-German partnership: the backbone of Europe on economy and energy issues

Political differences aside, the importance of Franco-German cooperation is apparent through a quick look at the figures: Germany and France account for 40% of the combined GDP of all 27 EU Member States. In terms of **greenhouse gas emissions, final energy consumption and electricity production, the two countries account for a third of the European total.**

When it comes to energy infrastructure, the strategic position of France and Germany is further bolstered by their central location in Europe. This is particularly true for the European grid: Germany and France have electricity interconnections with no less than 14 neighbouring countries.¹ While 2022 was a year of low nuclear availability, France has since regained its position as the main exporter of electricity to the European market.

Figure 1. Cross-border electricity interconnection capacity in Europe in 2023 (in blue) and the expansion need by 2030



Source: [EEB/Ember 2023](#).

Overcoming political differences to focus on common challenges

Over the last two years, Franco-German relations have been marked by a dual phenomenon: on the one hand, [the number of issues on which the two countries have strong political differences has grown over time](#), encompassing key subjects such as defence, the Stability and Growth Pact, the reform of the European electricity market and their strategic approaches vis-a-vis the United States and China. On the other hand, while diplomatic etiquette previously prevented direct or explicit disagreement, [these differences are now increasingly acknowledged](#) in political and media circles, leading some to suggest that there is a [risk of a "Cold War"](#).

Whether perceived or real, this divergence of strategic interests should however not obscure the fact that the two neighbours on the Rhine—and Europe more broadly—share common challenges. Indeed, the historic strength of the Franco-German partnership has resided in its demonstrated ability to use decisive moments as an opportunity to set aside differences and come together to build Europe. As [Jean-Paul Tran Thiet](#) reminds us: "*Were our interests aligned when Robert Schuman delivered the Salon de l'Horloge declaration which created the European Coal and Steel Community barely five years after the end of the Second World War? Were our interests aligned when de Gaulle and Adenauer signed the Élysée Treaty?*"

Placing the ecological transition back at the heart of the Franco-German project for Europe

At a time when [the implementation of the Green Deal could be jeopardized by the rise of the extreme right](#), the joint commitment of the Franco-German partnership appears particularly crucial. Notably to reaffirm the key role of the green transition in enhancing European competitiveness, through the definition of new green industrial policies, as highlighted in a recent IDDRI brief (IDDRI, 2024).

The [Franco-German declaration of 29 May 2024](#) in favour of a "new agenda to boost competitiveness and growth in the European Union" provides an interesting framework in this respect, as it reiterates the close linkages between the Green Deal and European competitiveness: "We should strengthen the Green Deal and the Green Deal Industrial Plan as a growth agenda for Europe and in particular for the successful transformation of our industrial base."²

The declaration refers to the many priorities linked to this agenda, including the definition of new industrial policies, the financing of the implementation of the Green Deal, the joint planning of energy infrastructure, and the [definition of the future European climate and energy framework for 2040](#).³

It is regrettable, however, that the declaration overlooks a crucial aspect in the current political context: the imperative of establishing social justice as a key condition for the ecological transition at all levels, based on a renewed social and ecological contract.

Can the electricity transition be the cornerstone of a reinforced Franco-German cooperation?

[The transition of the electricity system is often seen as a symbol of Franco-German discord](#), especially due to the historic question of the role of nuclear power, which has long blocked negotiations on [the reform of the European electricity market](#). Paradoxically, however, the electricity transition could be at the heart of enhanced Franco-German

cooperation to meet common challenges in terms of green industrial policies, as explained by [the presidents of business federations in the energy sector on both sides of the Rhine](#).

Indeed, 10 years after [François Hollande's call for a joint venture on the energy transition based on the Airbus model](#), there is no shortage of potential subjects to address, as detailed in the [IDDRI study on the challenges for the electricity transition in Europe](#), published alongside this blog post:

- The need for a common approach to the **electrification of buildings, mobility and industrial sectors**, an essential lever for decarbonization and reducing our dependence on imported fossil fuels;
- In connection with this first challenge, it seems essential to make progress on [harmonised measures](#) to **ensure stable and competitive electricity prices for industry**, moving forward together on a number of key issues: how can we [avoid the risk of fragmentation and dumping between neighbouring countries on the basis of national approaches](#)? Does the issue of competitiveness justify a more favourable policy for industries, at the risk of higher prices for households and small consumers? Should aid be concentrated on electro-intensive industries alone, or targeted at all sectors?
- Secondly, by developing **a shared vision to clarify the industrial strategy for the main low-carbon energy sectors**, whether photovoltaic, wind, heat pumps, hydrogen⁴, or even [nuclear](#): what level of European sovereignty or autonomy should we be aiming for, given the geopolitical and economic challenges? What are the risks of not achieving the targets set (particularly for renewable energies) if the cost differential becomes too great? How can we work together to make better use of the size of the European market to influence global dynamics?
- In connection with the far-reaching transformation of the European electricity system to achieve a 70% renewable share by 2030, **the development of electricity system flexibility** represents another major opportunity for cooperation, as highlighted in the [statement in favour of a joint action plan on power system flexibility](#), published in May 2024. Over and above the often sensitive issue of the electricity mix, the systemic nature of flexibility (including not only electricity production and consumption, but also networks and technical and economic regulation) and its intrinsically European dimension (requiring reflection on market design and network interconnections) represent a particularly relevant area for cooperation to develop a joint approach based on concrete projects;

Overcoming ideological differences in favour of a pragmatic approach to cooperation

"We actually don't agree on anything". Deliberately shortened and taken out of context, this quote from German Economy Minister Robert Habeck is emblematic of the political and media treatment often reserved for Franco-German cooperation. By overplaying the differences and difficulties like a mantra, they end up becoming self-fulfilling prophecies and prevent thoughtful reflection on the conditions for successful cooperation.

This seems particularly true in the field of energy. **Yet, as long as the freedom of Member States to define their energy mix is accepted and recognized by all in the same way as their commitment to achieving carbon neutrality, the ideological conflict over nuclear energy could easily become a non-issue.** Whether nuclear power is in the mix or not, fossil fuels continue to take a heavy geopolitical and economic toll, accounting for more

than 60% of the EU's energy consumption and demanding a strong and rapid decarbonization policy. Whether nuclear power is in the mix or not, renewable energy will have to account for 70% of Europe's electricity mix by 2030, with profound changes in the electricity system that will affect all Member States. By focusing too narrowly on "national sovereignty" as a political priority, we end up forgetting that a divided Europe will benefit neither Germany nor France, but rather our main competitors in the race to green industries.

The full quote from Robert Habeck's speech is far more illuminating in terms of both the scale of the challenge and the importance of closer cooperation: *"It's no walk in the park: in fact the Franco-German friendship represents a polarity that may give the impression that we actually don't agree on anything. But if we can agree, then the roof and the umbrella of that agreement will be broad enough for all the other states to find their place under it too. This agreement requires and calls on our ability to maintain this friendship and make it prosper."*⁵

¹ Spain, United Kingdom, Ireland, Italy, Luxembourg, Belgium, Switzerland, The Netherlands, Norway, Denmark, Sweden, Poland, Czech Republic, Austria.

² It should be noted that these synergies between industrial competitiveness and the green transition were recently called vehemently into question by Victor Orban, Prime Minister of Hungary, who will hold the rotating presidency of the European Council in the second half of 2024.

³ On this subject (and the ecological transition agenda more broadly), we might also question the possibility of launching new cooperation initiatives within the Weimar triangle (France, Germany, Poland), considering both Poland's new ambitions in terms of ecological transition and the need to anticipate the Polish presidency of the European Council which will open in January 2025. The trilogue format could help to overcome certain ideological controversies specific to the Franco-German couple, while preparing the transition to a broader European approach.

⁴ The Franco-German parliamentary assembly recently proposed the idea of a "joint strategic roadmap" on hydrogen, which could lay the groundwork for a European strategy following a recommendation made in the declaration of the Franco-German Council of Ministers on 22 January 2023.

⁵ <https://legrandcontinent.eu/fr/2023/09/15/nous-ne-sommes-daccord-sur-rien-ce-qua-vraiment-dit-habeck-sur-le-franco-allemand/>

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