Strategy on Climate Foreign Policy

of the Government of the Federal Republic of Germany







Summary

The climate crisis is changing our world in fundamental ways. It is endangering lives and threatening human rights, our environment and our resources, thereby jeopardising the chances for sustainable development. Swift, ambitious and cooperative action by the international community is vital if the Paris climate goals are to be delivered on. Only together will we be able to achieve the necessary worldwide reduction of greenhouse gas emissions. Climate action requires closer international cooperation, for no country is in a position to protect itself from the impacts of climate change or curb the crisis on its own.

Our climate foreign policy is firmly European and multilateral; centred around the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. In order to overcome the impacts of climate change, we also need to take steps to tackle global biodiversity loss, overuse of resources and global environmental pollution. Together, we therefore resolutely address the issues of climate change mitigation, biodiversity conservation and environmental pollution as interconnected issues. The key points of reference for this are the Sustainable Development Goals and the Global Biodiversity Framework.

With this whole-of-government strategy on climate foreign policy we as the German Government are aligning our structures and instruments so as to contribute to implementing the global transition to a climate-neutral future in a socially just and economically successful way and actively shape it in line with our values and interests. This strategy will guide the German Government's international climate action and is coordinated

amongst and implemented by the relevant ministries. A new group at State Secretary level will assist with coordination in central cross-cutting climate foreign policy issues and ensure strategic foresight.

Ambitious climate policy as an opportunity

The 21st century must become the century of renewable energies. Many countries all over the world have recognised the vast economic and social potential of an ambitious, economically successful and pragmatic climate policy and are driving forward the shift to green energy, the increase in energy efficiency, the decarbonisation of their industry and the development of sustainable technologies. We are actively shaping this move towards a sustainable, resilient, resource-conserving global economy. In the coming years it will be crucial to set the course for accelerating the transition at German, European and international levels, while also preventing the most serious consequences of climate change.



Bringing together prosperity with economic and social development across our efforts to combat the climate crisis is at the heart of German climate foreign policy. Because the just transition also offers vast potential for resilience and security, for our future prosperity and for globally sustainable development. Societal acceptance is vital if international climate and environmental efforts are to succeed. With our climate foreign policy, we also want to help strengthen Germany and Europe as hubs for the economy of the future generating an impetus for growth, and maintaining our competitiveness.

The geopolitical framework of our climate foreign policy

The climate crisis is one of the greatest security risks of the 21st century. It fuels conflicts and is a factor in destabilising states. Today we are already seeing how development progress is unravelling, existing inequalities and conflicts over the distribution of resources are being exacerbated and people are being driven from their homes.

Climate action therefore requires joint engagement in a world of growing tensions and geo-economic shifts. Russia's war of aggression against the Ukraine and its blatant violation of international law have shaken the foundations of the multilateral order and fuelled global systemic rivalry. The ensuing impact on the European security order marks a watershed with far-reaching consequences for Germany, Europe and beyond.

In this increasingly multipolar, fluid and conflict-ridden environment, some states are deliberately exploiting fossil fuel dependencies to pursue their power-political goals. This hampers the cooperation necessary to achieve common goals. However, in a multipolar world the transition towards climate neutrality also involves the recalibration of economic strength.

The hard lines on who counts as an industrialised and developing nation set down in the United Nations Framework Convention on Climate Change (UNFCCC) of 1992 no longer reflects today's reality and must not be allowed to become a barrier to swift and effective climate action. The G20 members,



emissions and in many cases have been able to increase their wealth significantly in recent years. have a special responsibility to implement an ambitious climate policy. This includes making an appropriate contribution to international climate action and climate financing.

Climate foreign policy thrives on global dialogue and exchange. Climate cooperation, even and particularly with partners that do not share all our values, can often form part of a positive agenda and build bridges. This engagement creates opportunities for us to intensify our relations with states, including on issues beyond climate and thus strengthen our global partnerships as a whole. The transition also gives Germany and other importers of energy the chance to develop resilient, sustainable and diversified supply chains for future-oriented technologies and reduced dependencies.

Goals of our climate foreign policy

Germany is doing its utmost to drive forward the implementation of the Paris Agreement in cooperation with its European partners in order to keep the goal of limiting global warming to 1.5 degrees Celsius within reach and bolster climate-resilient development and adaptability to climate change worldwide. Together with our partners, we are striving to ensure that investment and global financial flows are aligned with the goals of the 2030 Agenda for Sustainable Development, the Paris Agreement goals of climate neutrality and climate resilience and the global biodiversity targets. In the interests of climate justice we are placing a special focus on the states and communities that are especially affected by climate change, particularly in Africa and the small island developing states (SIDS).

The goal of our climate foreign policy is to anchor and drive forward climate protection in all relevant policy fields and international fora, including the UN, the G7 and G20 and multilateral development banks, as well as international organisations such as the

International Renewable Energy Agency (IRENA) and the International Energy Agency (IEA). We are acting in cooperation with European partners on the basis of the EU climate goals and the European Green Deal.

The Climate Club launched by Germany and Chile as co-chairs serves as a pragmatic implementation alliance of industrialised countries, emerging economies and developing countries and will foster international cooperation in the area of climate policy. The aim is to gradually establish a framework for green products and lead markets with a focus on the decarbonisation of industry.

To implement our climate foreign policy we are making use of a broad toolkit incorporating bilateral and multilateral climate diplomacy and activities within the context of international climate financing, our partnerships and broader cooperation, as well as our contributions through pioneer initiatives such as the Climate Club and our foreign trade and investment promotion tools. We want to evaluate the achievements of our bilateral partnerships by the end of 2024 andon this basis bstrategically develop our partnership concept.

Principles of our climate foreign policy

Indispensable aspects of effective and credible climate foreign policy for Germany and Europe include the engagement for peace, freedom, human rights, democracy, the rule of law, social and gender equality as well as sustainability, the protection of our country, the EU and our allies and the promotion of prosperity and social cohesion. We are committed to climate justice in the interests of an economically successful and socially just transition towards climate neutrality and resilience to climate impacts at both national and international level. Our climate foreign policy is shaped by our values and is in our economic and security interests.

Our climate foreign policy is participative

The German Government is committed to supporting the active and equal participation of all interested groups in climate foreign policy. To this end, we are systematically expanding opportunities for the whole of society to be involved. It is part of our fundamental understanding of climate foreign policy that it thrives on the active participation and pooled knowledge of everyone: civil society, business, unions, academia, culture, women, young people, indigenous peoples and marginalised groups. Subnational groups such as cities and municipalities likewise play a role in the effectiveness of our climate foreign policy. Transition processes designed to halve emissions by 2030 and strengthen climate resilience within this decade will only succeed with firm societal support.

Priorities of our climate foreign policy

The German Government's climate foreign policy focuses on six areas:

1. Drastically reducing global greenhouse gas emissions by 2030, accelerating the global energy transition

We will do our utmost and use all instruments available to us to drastically lower global emissions and to almost halve them by 2030 compared to 2019 levels. We want to encourage our partners to step up their climate targets for 2030 and to shape their future targets in such a way that the 1.5 C limit remains within reach. In particular, we will work towards ensuring that global renewable energy capacity is tripled and energy efficiency doubled by 2030. We are accelerating the global energy transition in order to phase out unabated fossil fuels in line with the 1.5 C pathways¹. We will expand and further intensify our partnerships. Key instruments are the Just Energy Transition Partnerships (JETPs) as well as the bilateral Climate and Development Partnerships. We regard carbon pricing as one of the most efficient instruments for lowering greenhouse gas emissions while, at the same time, promoting innovation. We are therefore working towards a global emissions

trading system, leading in the medium term to a CO2 price, which is as uniform and reasonable as possible.

2. Making the economy competitive and fit for the future and ensuring climate justice

Robust climate action should give companies a competitive edge internationally. We support a more active and ambitious trade policy, which will enable the EU to make attractive offers to its partners. We are calling for ambitious chapters on trade and sustainable development. We are working to continue aligning the WTO with the Paris Agreement and the UN's Sustainable Development Goals. We also advocate the facilitation of trade with environmental goods and services. Particularly when it comes to

¹ (please see Annex I: excerpt of the full version: C1 "Drastically reducing greenhouse gas emissions by 2030, accelerating the global energy transition" / Priority no. 2).

the diversification of raw materials supply chains, we also support local value-added while upholding sustainability standards. In the relevant international forums, we are campaigning for ambitious climate targets and globally binding measures to reduce the greenhouse gas emissions in the aviation and maritime transport sectors. In addition, we are promoting the economical use of resources and expanding the circular economy. Through the open, cooperative and inclusive Climate Club, we want to help make ambition possible without market distortions and to establish decarbonised industrial production as the global norm.

3. Solidarity with the most vulnerable: Preserving our natural resources and protecting health

We stand in solidarity with the most vulnerable and remain a good and reliable partner in international climate finance. We are working to ensure that people and states in special need of the financial resources required for climate action have greater access to them. We are actively involved in the operationalisation of financial support mechanisms, including the new fund for overcoming the loss and damage caused by the climate crisis (Loss and Damage Fund) as a key element in the support for the most vulnerable. We are also further expanding the Global Shield against Climate Risks. We are promoting ecosystem-based and local approaches to climate change adaptation. At the same time, the climate crisis is one of the greatest threats to health, especially that of the most vulnerable. We therefore want to use health as a driver for transformation in the field of climate action and climate change adaptation.

4. Protecting, restoring and promoting the sustainable use of ecosystems

We are strengthening our cooperation, especially with tropical forest countries, in order to halt deforestation by 2030, and are working to ensure the protection, sustainable use and restoration of all ecosystems on land and in the seas in line with the Kunming-Montreal Global Diversity Framework, taking into account the key role played by indigenous peoples and local communities. In our approaches, we prioritise nature-based solutions, which simultaneously offer advantages for climate action and climate change adaptation, climate resilience, water management, biodiversity and other sustainability goals.

5. Strengthening resilience, peace and security

The climate-security nexus is factored into our political strategies and we ensure that projects in the spheres of humanitarian assistance, stabilisation and development cooperation foster climate resilience and take climate needs into account. We are working to ensure that all international organisations, especially the UN, the EU, the OSCE and NATO, focus more on climate and security and we are integrating climate aspects into our geopolitical risk analysis. Furthermore, we are making sure that the Bundeswehr can fully comply with its mandate under the changing climatic conditions and that its operational readiness is guaranteed. Germany is playing an active part in the debate about the implications of climate change under international law.

6. Making international financial flows consistent with a 1.5 C-compatible pathway and climate-resilient development

Germany remains a reliable partner in international climate finance and is one of the largest contributors to the multilateral climate funds. We have honoured our climate finance pledges. We are working to gear our financial flows to our climate and biodiversity targets. We are fostering internationally sustainable investment and projects that are in line with the Paris Agreement and reducing inefficient subsidies, which pose a threat to climate and biodiversity. We are actively involved in the discussion about reforming the international financial institutions. We are calling for the global framework for the necessary mobilisation of substantial private financial flows for climate action to be improved as well as for the base of contributors to be expanded.

Annex I: excerpt of the full version: Text as in C1 "Drastically reducing greenhouse gas emissions by 2030, accelerating the global energy transition"

Priority no. 2:

We will drive forward the global energy transition and accelerate the expansion of and shift to renewable energy. We aim to achieve a global energy sector predominantly free of fossil fuels well ahead of 2050. A just climate policy also means ensuring that all population groups have equal access to energy.

- → In all relevant forums in particular the UNFCCC, the G7 and the G20 we are calling for an accelerated global energy transition, the global expansion of renewables and the global phase-out of unabated fossil fuels and a peak in their consumption in this decade. Together with partners, we aim to work towards a fully or predominantly decarbonised global power system in the 2030s. This will leave no room for new coal power, since cost-efficient zero-emissions technologies (in particular renewables) are already widely available in this sector and offer numerous benefits, including for sustainable development, human health, air quality, the creation of jobs and energy security. We intend to follow through on commitments already made in relation to the phase-out of coal and other fossil fuels. This includes diplomacy within the context of international alliances (such as the Powering Past Coal Alliance) and initiatives (e.g. the Global Methane Pledge).
- → Together with the EU and on the basis of the G20's commitment, Germany therefore calls for worldwide measures to triple installed renewable energy capacities to at least 11 TW and to double the rate of energy efficiency improvement by 2030. It supports the G7's clear commitment to the rapid expansion of renewable energy and to bringing down costs by means of concrete joint deployment targets for offshore wind (an additional 150 GW) and photovoltaic capacities (to at least 1 TW) within the G7 by 2030. Together with the EU, we are working towards the adoption and implementation of corresponding 1.5C compatible goals and targets for rapidly increasing energy efficiency and accelerting renewables. These must go hand in hand with energy savings and the phase-out of fossil fuel energy production and consumption.
- → We will work with partner countries to accelerate a sustainable and just energy transition, while also improving access to energy for all population groups. Specifically, we aim, for instance, to improve access to energy, to drive forward the expansion of renewable energy and to promote improvement in energy efficiency, the expansion of intelligent electricity grids and the development of energy storage capacities as well as Professional skills and vocational training and energy transition-related retraining measures for skilled employees, particularly women and marginalised population groups. In so doing, we will ensure that measures help foster a pollution-free environment and the protection of biodiversity. Of key concern to us is that the energy transition is just and that requirements for the preservation and restoration of ecosystems and their function as natural carbon sinks and for climate adaptation are systematically taken into consideration. The European Commission, multilateral development banks and United Nations organisations are key partners in promoting synergies and achieving a systemic impact. We will continue to support the G7's goal of increasing the share of official development assistance (ODA) aimed at promoting employment in climate and environment-related economic sectors by 2025.

- → We will step up dialogue with fossil fuels exporters and strengthen cooperation formats for a step-bystep transition to an energy sector predominantly free of fossil fuels: We have a foreign and security policy interest in these countries adapting to an expected decline in demand from Germany, the EU and worldwide well ahead of time and constructively and proactively shaping the necessary transition. In the future, fossil fuels should only be used where no viable alternatives are available and if the related greenhouse gas emissions are reduced as much as possible. For as long as fossil fuels continue to be used, the associated methane emissions must be drastically reduced. Germany is therefore also supporting this goal, in cooperation with the EU.
- → Together with partners, we will work for the transparent and responsible use of carbon capture and storage and negative emissions technologies: We will be guided in our international efforts by our planned carbon management strategy and long-term negative emissions strategy. The common EU position is that such technologies which do not significantly harm the environment exists at limited scale and are to be used to reduce emissions mainly from hard to abate sectors. Such removal technologies are to contribute to negative emissions worldwide. It is important to us in this context that these technologies are not used to delay climate action in sectors where feasible, effective and cost-efficient mitigation alternatives are available, particularly in this critical decade for the climate crisis.
- → We will consult even more closely with traditional and new contributor countries, with the involvement of the development finance institutions and the local and international private sector, and will provide more coherent support offers proposals for an accelerated energy transition in developing countries and emerging economies. The Just Energy Transition Partnerships (see section D) are an important instrument here.

