Germany position paper

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Germany, as the biggest economy and contributor to the European budget, plays a key role in European Green Deal implementation (Wettengel, 2020). It plays as the leader and coordinator of the EU member states (Clark, 2019; Wehrmann, 2020). Germany’s perspective has shown that the European Green Deal is feasible(Kunzig; Locatelli, 2015): german Chancellor Angela Merkel, other political elites and various interest groups have accepted this European Commission roadmap plan to decarbonizing and greenhouse gas emission reductions target for 2030 to at least 50% and towards 55% compared with 1990 levels in a responsible way (EC, 2019). Germany believes that decarbonization and shift toward more green economy doesn’t necessarily lead to job losses, but it is rather a new possibility to make new job opportunities, which is cohesive with the European Green Deal goals to a circular economy. (Schulz, 2019).

The country has a plan to invest 60 billion euros in order to fight the climate change in order to contribute to meeting EU’s goals. In order to reconstruct industry, infrastructure towards sustainable economy complex mechanism must work coordinately (Green New Deal, 2012) (Arlt; Hoppe; Wolling, 2011). In 2019 we have not only cut carbon emissions by 6,3%, but we also plan to advance our plans towards LNG terminals, we are working on a new electro mobile revolution in car industry (Walker, 2020; Camino Gonzalez, 2020; DW, 2019), which is a big impact to the ecological footprint. Regarding the budget adjustment for meeting the Green Deal goals, Germany supports the processes that the Commission has established for the distribution of the budgetary burdens on the member states, except for the proposal regarding the increase from 1% to 1.5% of GNI form the member states (Gaurascio and Baczynska, 2019). Given the nature of the subject, Germany has developed a comprehensive and sufficiently analyzed plan that entrenches the main goals and principles on which the actions regarding climate change, inside the country, will take ground. It is possible to notice in the Climate Action Plan 2050 the presence of a core principle that, hand in hand with the environmental goals, determine the structure and content of the law (Climate Action Plan 2050, 2019). That is, to manage an equilibrium between ambition and reality. Therefore, it is highly important to remark the need for a budgetary plan that stresses the attention on the side of the expenses instead of the sources of income (Amelang and Wehrmann, 2019). On a parallel level, Germany shares the preoccupation of clearly classifying the environmentally sustainable activities, as well as sufficiently clarifying the investments outcomes expected in this sector. The more profound the work is done in this asset, the more it can be expected the budget to be complemented by investment from the private sector.

Germany completely shares the goal of a just transition process in the fulfillment of the environmental goals proposed by the Commission. Therefore, the development of a well-designed tax reform that does not leave aside the most exposed industrial sectors that might carry the costs of the rapid transformation in energy system proposed by the Commission (Lepesant, 2020). Germany remains committed to multilateralism and believes that global cooperation is key to tackling the common challenge of climate change. The EU should play a leading role on the global stage.

Germany recognizes that strict climate protection measures generate the challenge of carbon leakage (Aichele & Felbermayr, 2015) and the need to ensure fair competitive conditions. While different forms of carbon border taxes can be evaluated as possible solution for those problems, they need to be in line with our principle that all forms of protectionism cannot be a solution for a common global challenge. There are serious concerns that such measures may undermine multilateralism by violating WTO regulations (Kang, 2010) and unproportionally harming low-income countries (Mattoo, Subramanian, van der Mensbrugghe, & He, 2013). Measures that risk escalating trade tensions should be avoided and flexible solutions that strengthen EU’s commitment to multilateralism be preferred. Severe measures such as prohibition of certain foreign investments should only be considered as a last resort, given not only their burden in domestic industry but also their potential to undermine global cooperation.

Trade policy can play an crucial role for facilitating global climate protection (Harstad, 2019; Kuhn, Pestow, & Zenker, 2019). Germany supports exploiting the potential both bilateral and multilateral trade agreements offer for mastering the challenge of climate change, binding and ambitious sustainability chapters are a suitable instrument, at the same time the failing of negotiations due to unrealistic expectations must be avoided. A cooperative approach to ensuring compliance and an increased priority to accelerating negations with countries e.g. in the ASEAN and Mercosur region will help facilitating climate protection and the observation of the Paris agreement globally.

Given the crucial role the energy sector plays for global carbon emissions and the important role renewable energies do therefore play for tackling climate change, Germany welcomes the emphasis on removing trade barriers in this sector. Substantial tariffs as well as a number of non-tariff barriers, such as local content requirements, impede a global change towards green energy (Jha, 2013) and should be addressed in future trade agreements.

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