**Policy proposal from Germany - European Green Deal**

CO2 emissions target

We believe that it needs to be our common goal to reach carbon neutrality by 2050. Germany also agrees on the importance of setting ambitious stepstone goals and reduce the emissions by 55% by 2030. Germany proofed from 2007 on that an ambitious and responsible approach in line with Kyoto agreement that at the same time respects economic considerations is possible (Wurzell, Rüdiger & Connelly, 2010). In this sense, we believe that pushing for this goal is one of the most important tasks we have to do in the next decades. Germany’s limitation is that it heavily relies on coal produced energy which takes a big part on the CO2 emissions. In order to reduce and eventually eliminate this production of energy, Germany had to innovate in the energetic sector, which is feasible in the long term, as this country is known as a head innovator in technology in the EU. This experience of realizing the time effective restructuring of industries and the national energy mix takes as well as the observation of economic differences, diverse industrial legacies and the adverse effects of the Coronavirus led us to conclude that a hard “one size fits all” goal for 2030 will not be feasible. We believe that offering countries being especially affected by above mentioned challenges the optionof choosing a second track where they achieve this goal by 2040, while presenting a realistic plan how to reach our common goal by 2050 will ensure that no country is left behind.

Just Transition - Mastering economic challenges of climate protection

The diverse economic structures of the Member States imply that some states face harder challenges conducting the Green Transition than others. We therefore recognize the need of some countries and regions to receive specific financial assistance for realizing their part of our common project. Our Green Transition must leave no one behind. It is our conviction that ecology and economy should not be antagonisms. We do believe that an unspecified increase of the European budget without an elaborated plan of how and where to use the money would not benefit those countries and regions. Instead, all Member States should pay in a common fund, like a modified and extended Just Transition Fund, with the shares being dependent on their economic wealth. The money will be proportionately reserved focusing on countries and (NUTS 2-) regions, being economically weaker and facing greater challenge because of e.g. their current energy mix or the prevalence of industries being negatively affected by the green transition, especially targeting the European coal regions. The money will then be paid out for specific projects that match defined criteria, including building up renewable energy, establishing new industries in former coal regions or green investment subsidies. Part of it should also be used for activating support for workers affected by the Green transition, in line with the International Labor Organization’s guidelines for a just transition (ILO, 2016) The exact financial requirements for such an found need to be analyzed by experts, we believe that a number higher than the previously agreed scope of the just transition fund is definitely justifiable under this circumstances and think it could be around 0.2-0.4 % of the EU’s GNI.

Tackling the challenge of carbon leakage

We recognize 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 some ways of implementing 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.

Using the EU’s trade policy instruments

Using existing trade policy instruments can play a crucial role for facilitating global climate protection (Harstad, 2019; Kuhn, Pestow, & Zenker, 2019). We advocate for 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, we believe that future FTA negotiations should focus 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 agreements.

Ecological development and evaluating institutions

We strongly propose that, in addition to the budgetary and CO2 reduction objectives presented, specific additional measures should be enacted in order to achieve a coherent, comprehensive and effective transition. For this purpose, on the one hand, the Green Deal’s climate integration policy has left aside the discussion over the coherence between this and the sustainable development processes (Adelle and Russel, 2013). In order to achieve a strong environmental integration policy, the just transition mechanisms (that have an intrinsic socioeconomic dimension) need to be complemented by environmental protective legislation that enhances ecological preservation (Katharina Rietig, 2013). Therefore, it is in our common interests to move forward positive incentives for the countries that present environmental integration policies (i.e. biodiversity protective measures) to fulfill the goals presented by the European Commission. On the other hand, an effective transition must include institutions that ensures transparency amongst actors as a basic asset a just process. In this sense, Germany proposes the creation of an evaluating institution that facilitates, firstly, the need for information exchange in order to shore up capacity planning and prospective investments (Dieter Helm, 2005). Learning from each other, exchanging best-practice and know-how will help us achieving our common goals. Secondly, the creation of an evaluating system, available for all Member States that includes science-based quantitative sustainable development indicators and policy-based sustainability strategies in order to follow each country's progress and to objectively assign the positive incentives will enable countries to compare the effectiveness of different policies and investments. The diversity of the Member States enables us to try different innovative solutions, copy those that show positive effect and learn from examples that fail to show the desired results.

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