A statement on the German coalition agreement

Press Release

The incoming German government reached a coalition agreement today. Below a comment by Julia Metz, Director, Agora Industry.

Brussels, 9 April 2025. "The incoming government's support for an EU 90% emission reduction target for 2040 sends a strong signal at a time of geopolitical turmoil that Germany is committed to climate neutrality. However, the proposal to allow governments to "offset" emissions by buying international credits - rather than reducing them at home - risks undermining the target's credibility and would mark a major shift in the EU's current approach to climate action.

When it comes to driving the transition forward, Europe holds a unique advantage: deep cooperation and an integrated energy market. To fully capitalise on this, it is essential to protect and strengthen the bloc's climate and energy governance framework – including core elements such as emissions trading, the Carbon Border Adjustment Mechanism (CBAM), and the buildings directive. Staying the course will provide investment certainty for European households and companies. It will allow the EU to enhance energy security and strategic autonomy, while supporting industrial competitiveness, and ensuring affordable energy for all. Germany should lead in upholding this governance framework – thus helping to secure the EU's successful path to climate neutrality. A good example of this is the incoming government's stated support for the creation of green lead markets, which can help spur the demand that industry needs to invest in the production of climate-neutral goods."

About Agora Energiewende

Agora Energiewende develops scientifically sound and politically feasible concepts for a successful pathway to climate neutrality – in Germany, Europe and internationally. The organisation which is part of the Agora Think Tanks works independently of economic and partisan interests. Its only commitment is to climate action.

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