

BUSINESS STATEMENT UPON THE FORMATION OF THE NEXT GERMAN GOVERNMENT

# An Implementation Programme for Climate Neutrality. Now.

69 Signatories:



# **An Implementation Programme for Climate Neutrality. Now.**

Climate change has become tangible for all of us. The latest report by the Intergovernmental Panel on Climate Change (IPCC) makes it unmistakably clear that there is no more time to lose in taking decisive action to counter global warming. To do so, we immediately require ambitious climate policy across all sectors that meets the goals of the Paris Climate Agreement and sets out a clear, reliable, and plannable path to climate neutrality for businesses and society.

Many businesses in Germany understand that now is the time to act and have begun to do so. They are reducing their emissions, are making concrete goals a binding part of their strategies for the future, are realising innovative projects, and investing in climate-friendly technologies. The private sector is ready to make climate action its business model and to make climate-neutrality an internationally recognised and export-ready trademark of German industry.

However, businesses require a policy framework for the transformation of Germany into a climate-neutral industrial country by 2045 to succeed, while reaching the goal of a 65% cut in emissions by 2030 relative to 1990. This policy framework will have to make climate-friendly technologies economical while supporting sustainable business models and offering long-term planning security.

The new German government must therefore set the course for this from the first day of the new legislative period. Now is the time for bold and decisive action!

**WE AS COMPANIES FROM ALL SECTORS OF THE GERMAN ECONOMY THEREFORE CALL UPON THE NEW FEDERAL GOVERNMENT TO:**

## **1. Launch an implementation programme for climate neutrality in the first 100 days**

Following the completed revisions to the Climate Protection Act and the strengthening of the climate targets, businesses urgently require a comprehensive and concrete climate policy action programme – for all sectors and industries. To reliably achieve the climate goals for 2030 in the remaining eight years, it is necessary for the federal government to put forward a “Implementation Programme for Climate Neutrality” in the first 100 days of the new legislative period, building on the comprehensive approach of the European Commission’s Green Deal. The measures contained within it should be rolled out during the first year to provide a strong foundation for future action. The implementation programme must ensure that decisive steps needed to reach climate neutrality by 2045 are finally taken. The programme measures must be outfitted with the financing levels necessary to enable and accelerate the expansion of important technologies and infrastructures and the investments needed in the energy, industry, building, and mobility sectors. On the European level, the federal government should take a clear stance in favour of a “Fit for 55” programme that supports businesses in achieving the climate goals and encourages investment.

## **2. Increase the competitiveness of climate technologies.**

The technologies needed to achieve the climate goals in all sectors are largely familiar. What is required now is a policy framework that makes these technologies market ready and competitive in an efficient way. As a part of its implementation programme, the new German government must enact climate-friendly reforms of the tax, levies, and allocation systems that solve existing disfunction. The CO<sub>2</sub> price must be further developed and strengthened as a leading climate policy instrument in reliable steps agreed upon at the European and international levels. Its steering effect should thus be considerably increased and directed toward the goal of Germany achieving climate neutrality by 2045. The CO<sub>2</sub> price should additionally be buttressed by an effective mix of measures for individual sectors so that climate-friendly technologies can quickly become competitive. In return, targeted measures are needed to ensure a fair social balance, to effectively counter carbon and investment leakage, and to preserve and unleash resources for future projects. This includes providing significant relief to businesses and consumers on electricity costs. It is also necessary to considerably expand and sustainably establish incentives for investment in climate-friendly technologies – especially in terms of scaling – and sector-specific instruments to support businesses actively working to enact the transformation needed. Commitment is needed to drive forward the creation of lead markets for sustainable products and products suited for a circular economy.

## **3. Accelerate the expansion of renewable energies and increase energy efficiency.**

Renewable energies in combination with measures to increase energy efficiency are the backbone of the transformation to climate neutrality in nearly all sectors. They are increasingly becoming an elementary facet of Germany as a location for industry. It is therefore necessary to massively accelerate the expansion of renewable energies and the energy grids they require. By 2030, at least 70% of the rising demand for electricity in Germany must

be covered by renewable energies. The installed capacity both of wind energy on land and sea and of solar energy must therefore nearly triple. For this to succeed, sufficient surface area for the expansion of renewable energies must be made dependably available and existing installations must be upgraded. This ambitious expansion of renewable energies must be combined with further measures to create the conditions necessary to achieve the exit from coal-fired power clearly before 2038. These include, above all, consistent measures for a significant increase in energy efficiency in the building sector, especially by increasing the renovation rate, which requires adequate support for the necessary investments. Companies can act as a catalyst for the creation of a renewable energy system. To do so, they require a more attractive and simpler framework for implementing important technological solutions. These include, among others, the self-generation and use of renewable electricity, the efficient generation and use of heating and cooling based on renewable energies and industrial waste heat, the generation and use of hydrogen from renewable energies, and the conversion of corporate fleets.

## **4. Simplify the approval of climate-friendly infrastructure.**

Lengthy and cumbersome planning and approval procedures must not be allowed to slow down the expansion of key technologies and infrastructures for achieving climate neutrality. In addition to generation capacities for renewable energies, this applies to power grids, the industrial plants necessary for the transformation (including for hydrogen production based on renewable energies and for CO<sub>2</sub> capture, use and storage), climate-friendly transport infrastructure, and energy-efficient building refurbishment. In addition, the expansion of broadband must be accelerated to enable, for example, digital solutions for optimising sustainable, decentralised energy production. The implementation programme should therefore include a “kick-start initiative” for a fundamental reorganisation and simplification of future and current planning and approval procedures. This requires courage and pragmatism:

the duration of approval procedures should be limited to less than one year, if possible. Appeals channels and legal action procedures should be accelerated, and the competent administrative units and courts should be enabled to act quickly.

### 5. Lead by example.

The state is the largest contracting body in Germany. Around 500 billion Euro are invested in public procurement every year. This gives the public sector a powerful climate policy lever that must be used much more than before to create lead markets for sustainable and circular products. The German government should launch a concerted action by the federal government, the states, municipalities, and the private sector and systematically orient public sector investments, projects, and award criteria towards climate action, the circular economy, and sustainability. Public funding must be used more intensively to mobilise private capital for investments in the climate-neutral technologies of the future. The financial sector plays a central role in financing the transformation. To do justice to this task, a goal-oriented and

practicable regulatory framework for the German and European financial sector is needed.

### 6. Strengthen international partnerships.

The COP26 summit in Glasgow and the German G7 presidency in 2022 must be used to strengthen the transatlantic partnership and to lay the foundations for a club of climate leaders within the context of the G20. It should set international standards for a Paris compatible financial system and climate-neutral products. The Climate Club should work to strengthen climate action and the international competitiveness of German businesses while preventing carbon leakage. The German government should work through strategic partnerships on key technologies to achieve climate neutrality and to secure the competitive advantage of tomorrow.

*As businesses, we are prepared to fulfil our central role in climate action. We call upon the new German government to make the transformation to climate neutrality the central economic project of the coming legislative period. We are pleased to offer the coming government our support in doing so.*

**Initiated by:** Stiftung 2°

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