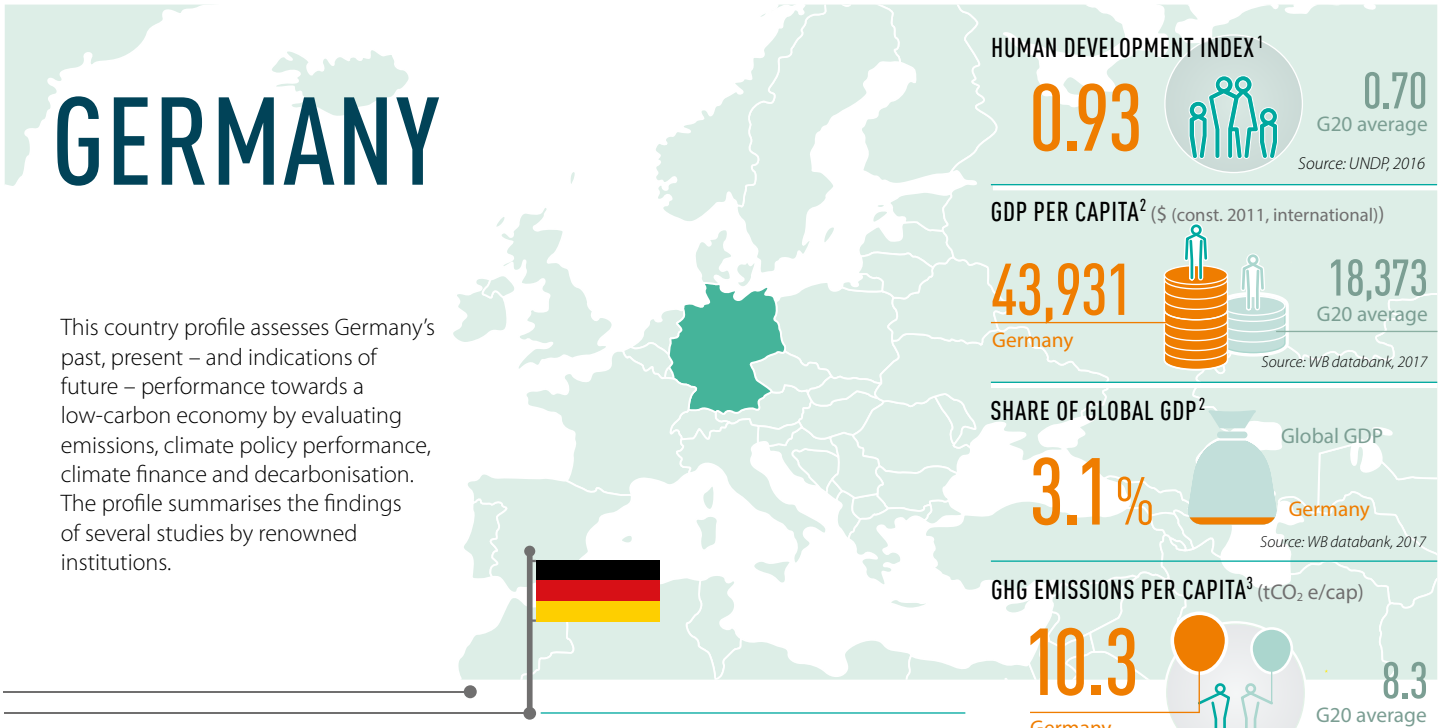
Climate Transparency

BROWN TO GREEN:
THE G20 TRANSITION TO A LOW-CARBON ECONOMY | 2017

GERMANY

This country profile assesses Germany's past, present – and indications of future – performance towards a low-carbon economy by evaluating emissions, climate policy performance, climate finance and decarbonisation. The profile summarises the findings of several studies by renowned institutions.



HUMAN DEVELOPMENT INDEX[1]

0.93

0.70 G20 average

Source: UNDP, 2016

GDP PER CAPITA[2] ($ (const. 2011, international))

43,931 Germany

18,373 G20 average

Source: WB databank, 2017

SHARE OF GLOBAL GDP[2]

3.1 %

Global GDP

Germany

Source: WB databank, 2017

GHG EMISSIONS PER CAPITA[3] (tCO_2 e/cap)

10.3 Germany

8.3 G20 average

Source: PRIMAP-hist, 2017

NOTRE DAME GLOBAL ADAPTATION INITIATIVE (ND-GAIN) INDEX[4]

0 — 1

0.23 Vulnerability Subindex

Source: ND-GAIN, 2015

AIR POLLUTION INDEX[5] (PM 2.5)

10 µg/m³ WHO benchmark

14 µg/m³

Source: WB databank, 2017

SHARE OF GLOBAL GHG EMISSIONS[3]

1.7 %

Germany

Source: PRIMAP-hist, 2017

This country profile is part of the **Brown to Green 2017** report. The full report and other G20 country profiles can be downloaded at:

http://www.climate-transparency.org/g20-climate-performance/g20report2017

CLIMATE ACTION TRACKER

CCPI Climate Change Performance Index

HUMBOLDT-VIADRINA Governance Platform

NEW CLIMATE INSTITUTE

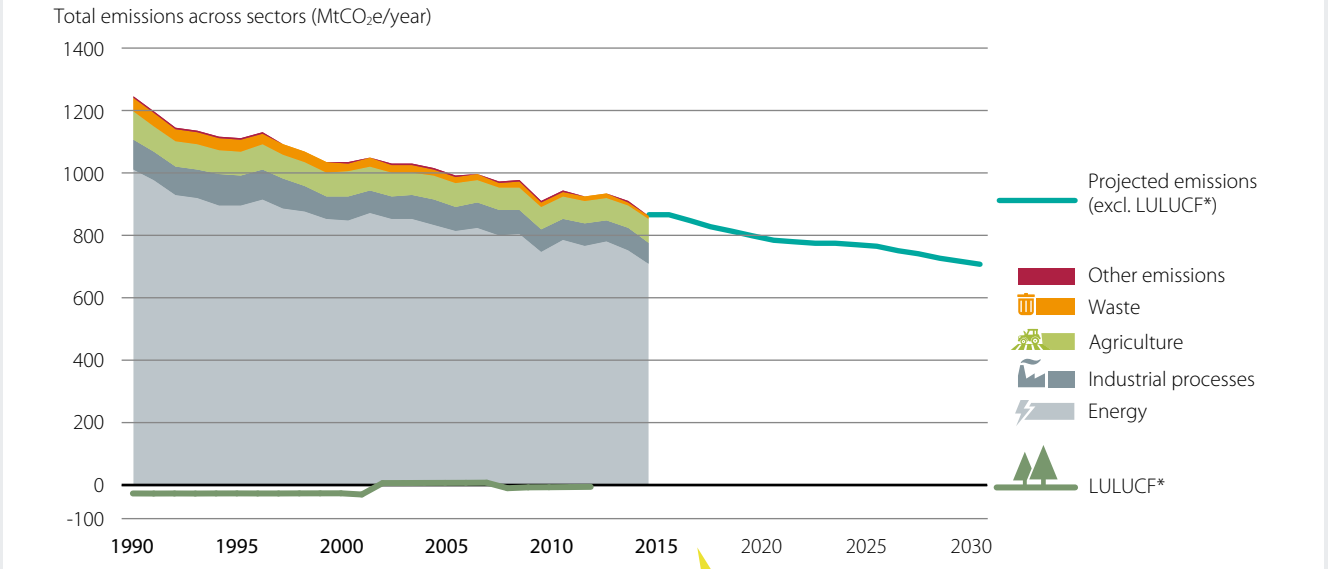
GERMANWATCH

ODI

CONTENT

GERMANY

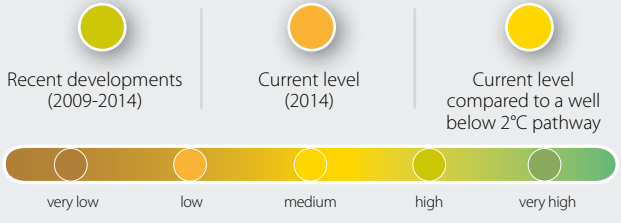
GREENHOUSE GAS (GHG) EMISSIONS DEVELOPMENT



**Land Use, Land Use Change and Forestry emissions according to the Climate Action Tracker*

Source: PRIMAP, 2017; CAT, 2017

CCPI PERFORMANCE RATING OF GHG EMISSIONS PER CAPITA[7]



Source: CCPI 2017 – G20 Edition

Germany has steadily reduced its GHG emissions over recent decades. The energy sector is the main contributor to its GHG emissions, although this has declined by about one third. LULUCF* sector emissions are negative.[6]

GERMANY

CLIMATE POLICY PERFORMANCE

POLICY EVALUATION [8]

	low	medium	high
Long term low emissions development strategy			
GHG emissions target for 2050			
Renewable energy in power sector[a]			
Coal phase-out[b]			
Efficient light duty vehicles			
Efficient residential buildings			
Energy efficiency in industry sector			
Reducing deforestation[c]			

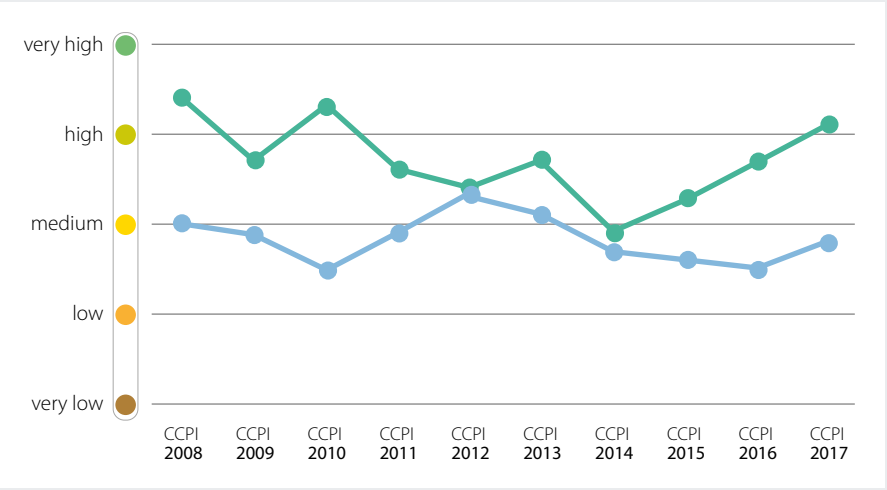
Climate Transparency evaluates sectoral policies and rates them whether they are in line with the Paris Agreement temperature goal. For more detail, see Annex.

a) Share of renewables in the power sector (2014): **26%**
b) Share of coal in total primary energy supply (2014): **28%**
c) Forest area compared to 1990 levels (2014): **101%**

Source: own evaluation

CCPI EXPERTS' POLICY EVALUATION [9]

Germany slightly improved its ranking for national climate policy due to its newly-established climate protection plan for 2050. Although the plan, where Germany sets some sector-specific targets, is a step in the right direction, experts criticise its targets for lacking the ambition to meet the requirements of the Paris Agreement. The government would also still need to come up with a plan for phasing out coal. Country experts acknowledge Germany for becoming more progressive in international climate diplomacy, and playing a key role in the Paris Agreement negotiations.



Evaluation of international climate policy
Evaluation of national climate policy

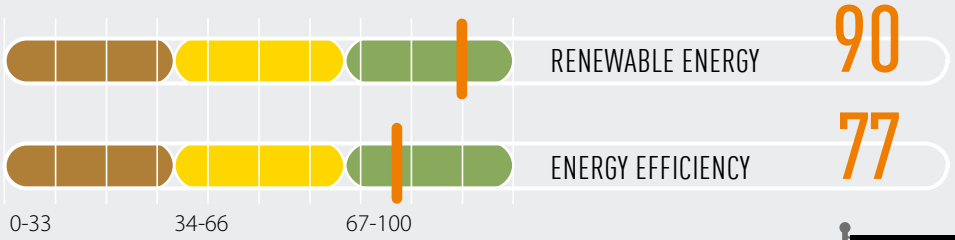
CCPI EVALUATION OF CLIMATE POLICY (2017)

Overall policy performance

Source: CCPI 2017 – G20 Edition

REGULATORY INDICATORS FOR SUSTAINABLE ENERGY (RISE) INDEX

RISE scores reflect a snapshot of a country's policies and regulations in the energy sector. Here Climate Transparency shows the RISE evaluation for Renewable Energy and Energy Efficiency.

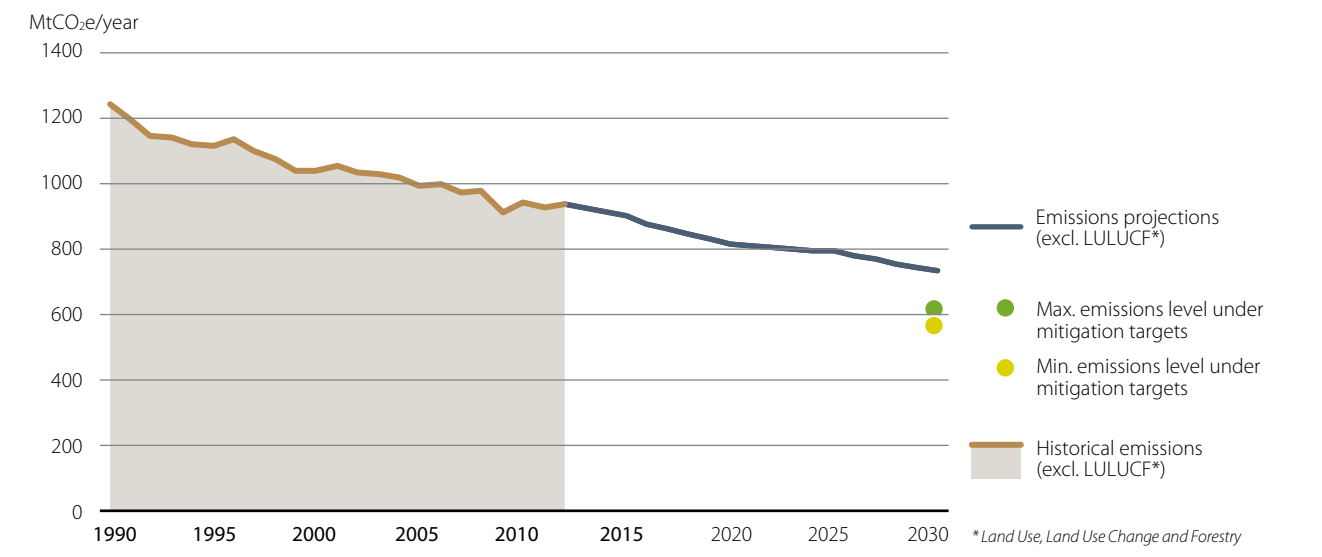


Source: RISE index, 2017

GERMANY

CLIMATE POLICY PERFORMANCE

COMPATIBILITY OF CLIMATE TARGETS WITH A 2°C SCENARIO [10]



Source: CAT, 2017

Germany has a national target to reduce GHG emissions by 55% below 1990 levels until 2030. However, as an EU member state, Germany did not submit its own Nationally Determined Contribution (NDC) nor an emissions reduction target under the Paris Agreement, instead committing to the EU NDC. The Climate Action Tracker rates the EU target of an at least 40% domestic reduction in GHG emissions by 2030 below 1990 levels as "Medium" as it is not consistent with limiting warming to below 2°C, let alone with the Paris Agreement's stronger 1.5°C limit.

CLIMATE ACTION TRACKER EVALUATION OF NATIONAL PLEDGES, TARGETS AND NDC [10]

Source: CAT, 2017

GERMANY

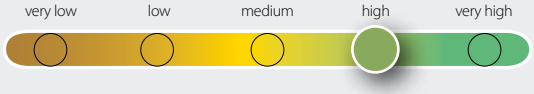
FINANCING THE TRANSITION

INVESTMENTS

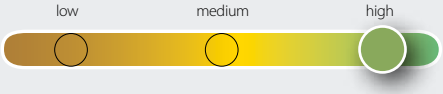
INVESTMENT ATTRACTIVENESS

Germany ranks at the top of both the latest RECAI and Allianz Monitor indices. It has recently moved from a renewables support policy based on feed-in tariffs to competitive auctioning for large-scale installations, in line with new EU state-aid rules. Germany's broad political support for the energy transition and strong track record with renewables help to alleviate some of the uncertainties raised by this policy change (Allianz, 2017).

ALLIANZ CLIMATE AND ENERGY MONITOR [11]



RENEWABLE ENERGY COUNTRY ATTRACTIVENESS INDEX (RECAI) [12]



TREND

Source : Allianz, 2017; EY, 2017

GERMANY

FINANCING THE TRANSITION

GREEN BONDS

Green bonds are bonds that earmark proceeds for climate or environmental projects and have been labelled as 'green' by the issuer.[13]

GREEN BONDS AS SHARE OF OVERALL DEBT

0.47%

G20 average: 0.16%

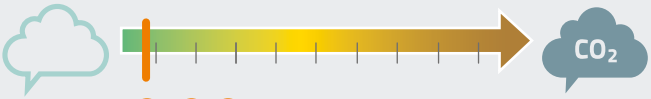
TOTAL VALUE OF GREEN BONDS

16.3 billion US$2017

Source: Calculations done by Climate Bonds Initiative for Climate Transparency, 2017

EMISSIONS OF NEW INVESTMENTS IN THE POWER SECTOR

This indicator shows the emissions per MWh coming from newly-installed capacity in 2016. The smaller the value, the more decarbonised the new installed capacity.



0.08 tCO_2/MWh

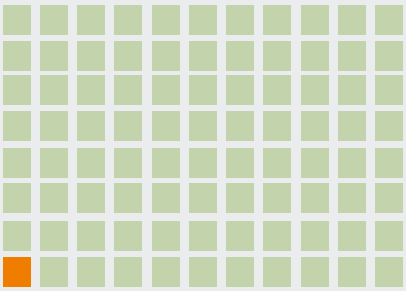
Source: Calculations done by IDDRI for Climate Transparency, 2017

FISCAL POLICIES

FOSSIL FUEL SUBSIDIES (FOR PRODUCTION AND CONSUMPTION)[14]

As Europe's second largest coal producer, Germany provides significant subsidies to hard coal. Although Germany will discontinue hard coal production subsidies at the end of 2018, the last two years have seen it introduce new subsidies. These include capacity payments for lignite plants to guarantee energy supply and budgetary support for oil, gas and coal research, development and deployment. It also continues to provide significant tax breaks for energy use in agriculture and forestry (US$ 500 million), energy intensive industry (US$ 800 million), public transport (US$ 900 million), as well as commercial aviation (over US$ 600 million).

G20 total: **230** billion US$2014



2.9 billion US$2014

Source: Calculations done by ODI based on OECD inventory, 2017

EFFECTIVE CARBON RATE[16]

With no explicit carbon tax, effective carbon rates in 2012 consisted primarily of specific taxes on energy use and, to a small extent, on EU ETS permit prices. Germany priced 90% of carbon emissions from energy use, 48% of which were priced above € 30/tCO_2 (~US$ 37 – largely from the road sector).[17]

EFFECTIVE CARBON RATE IN 2012[17]
for non-road energy, excluding biomass emissions

31.4 $US\$/tCO_2$

Source: OECD, 2016

GERMANY

FINANCING THE TRANSITION

PROVISION OF INTERNATIONAL PUBLIC SUPPORT

Germany provided the third largest amount of bilateral climate finance and fourth largest amount to multilateral climate funds in the G20. It has also pledged the fourth highest amount to the GCF. Germany only includes in its reported climate finance contribution funding that is additional to a 2009 Official Development Assistance (ODA) baseline or generated from new sources such as the EU ETS. Its contribution includes export credits to support German company investment in developing countries.

PLEDGE TO THE GREEN CLIMATE FUND (GCF)

Obligation to provide climate finance under the UNFCCC	Signed pledge to the GCF (Million US$)	Pledge per 1000 dollars of GDP ($US_{2011\ (constant)}$)
yes	1,003	0.29

Source: GCF,2017

CONTRIBUTIONS THROUGH THE MAJOR MULTILATERAL CLIMATE FUNDS[18]

Annual average contribution 2013-2014 (Billion US$)	Annual average contribution 2013-2014 per 1000 dollars of GDP (Billion US$)	Adaptation	Mitigation
0.24	0.07	39%	61%

Source: Climate Funds Update, 2017

BILATERAL CLIMATE FINANCE CONTRIBUTIONS[19]

Annual average contribution 2013-2014 (Billion US$)	Bilateral finance commitments per 1000 dollars of GDP (annual average 2013-14) (Billion US$)
2.35	0.67

Financial instrument (average 2013-2014)

Grant	Concessional Loan	Non-Concessional loan	Equity	Other
100%	0%	0%	0%	0%

Theme of support (average 2013-14)

Mitigation	Adaptation	Cross-cutting	Other
32%	35%	11%	22%

Source: Party reporting to the UNFCCC, 2013-14

CLIMATE FINANCE CONTRIBUTIONS THROUGH MULTILATERAL DEVELOPMENT BANKS (MDBs)[20]

MDBs in aggregate spent $21.2 billion on mitigation and $4.5 billion on adaptation in developing countries in 2014.

No national disaggregation available

Source: MDB report, 2015

FUTURE CLIMATE FINANCE COMMITMENTS

Germany aims to double its international climate finance by 2020 compared to 2014.

Source: "Roadmap to US$100 Billion" report, 2016.

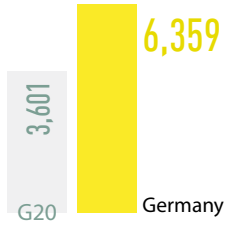
GERMANY

DECARBONISATION

SECTOR-SPECIFIC INDICATORS

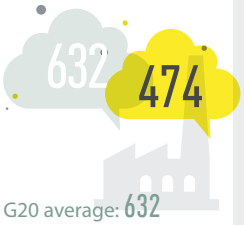
POWER SECTOR

ELECTRICITY DEMAND PER CAPITA
(kWh/capita)



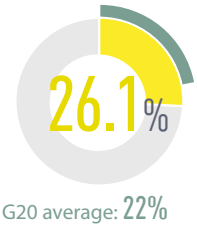
Data from 2014
Source: CAT, 2016

EMISSIONS INTENSITY OF THE POWER SECTOR
(gCO_2/kWh)



Data from 2014
Source: CAT, 2016

SHARE OF RENEWABLES IN POWER GENERATION
(incl. large hydro)



Data from 2015
Source: CAT, 2016

SHARE OF POPULATION WITH ACCESS TO ELECTRICITY

Data from 2016
Source: IEA, 2016

SHARE OF POPULATION WITH BIOMASS DEPENDENCY

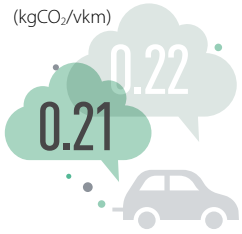
Data from 2014
Source: IEA, 2016

TRANSPORT SECTOR

TRANSPORT EMISSIONS PER CAPITA
(tCO_2e/capita)

Data from 2014
Source: IEA, 2016

TRANSPORT EMISSIONS INTENSITY
($kgCO_2$/vkm)

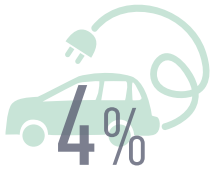


Data from 2010
Source: CAT, 2016

SHARE OF PRIVATE CARS AND MOTORCYCLES

Data from 2010
Source: CAT, 2016

SHARE OF GLOBAL ELECTRIC VEHICLE SALES
(%)



Data from 2015
Source: IEA, 2016

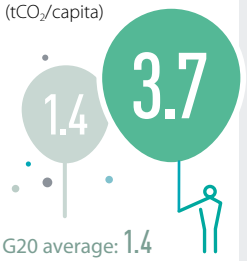
INDUSTRY SECTOR

INDUSTRY EMISSIONS INTENSITY
(tCO_2/thousand US$2012 sectoral GDP (PPP))

Data from 2014
Source: CAT, 2016

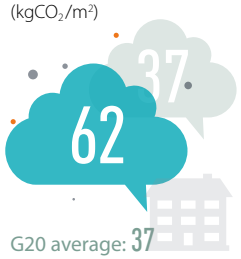
BUILDING SECTOR

BUILDING EMISSIONS PER CAPITA
(tCO_2/capita)



Data from 2014
Source: CAT, 2016

RESIDENTIAL BUILDINGS EMISSIONS INTENSITY
($kgCO_2/m^2$)



Data from 2011
Source: CAT, 2016

RESIDENTIAL BUILDING SPACE
(m^2/capita)

Data from 2011
Source: CAT, 2016

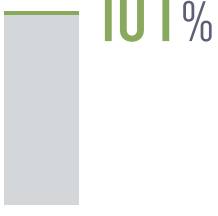
AGRICULTURE SECTOR

AGRICULTURE EMISSIONS INTENSITY
(tCO_2e/thousand US$2010 sectoral GDP (constant))

Data from 2014
Source: PRIMAP, 2017; WorldBank, 2017

FOREST SECTOR

FOREST AREA COMPARED TO 1990 LEVEL

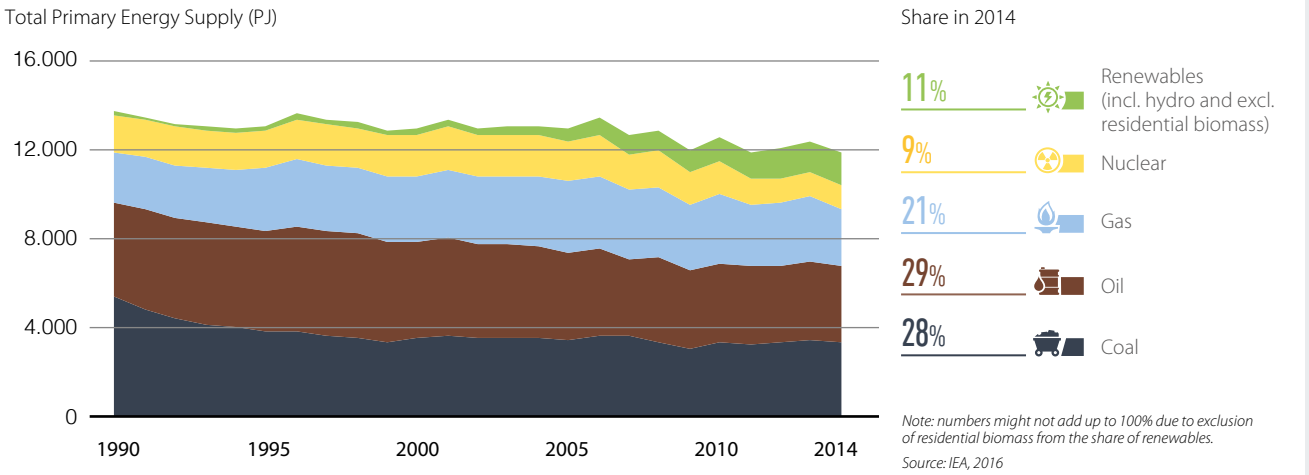


Data from 2015
Source: CAT, 2016

GERMANY

DECARBONISATION

ENERGY MIX [21]

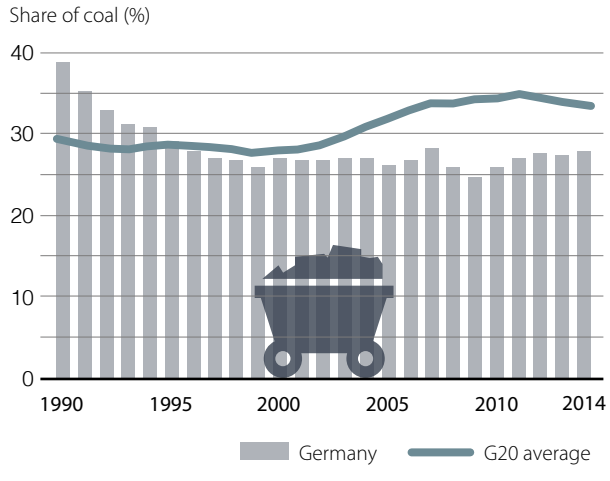


Note: numbers might not add up to 100% due to exclusion of residential biomass from the share of renewables.

Source: IEA, 2016

SHARE OF COAL IN ENERGY SUPPLY [22]

Germany's share of coal in the energy mix has increased in recent years - from 25% in 2009 to 28% in 2014. It now has the 9th highest share of coal in the G20.



Source: IEA, 2016

PERFORMANCE RATING

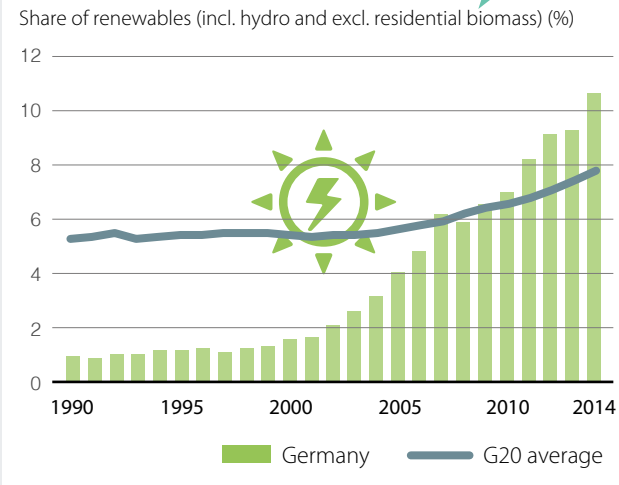
RECENT DEVELOPMENTS (2009-2014)

CURRENT LEVEL (2014)

Source: own evaluation

SHARE OF RENEWABLES IN ENERGY SUPPLY [23]

From a very low level in the 1990s, the share of renewables in Germany's total primary energy supply has increased steadily and significantly since 2000, surpassing the G20 average in 2009 and reaching 11% in 2014.

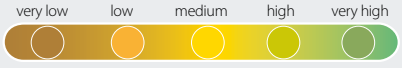


Source: IEA, 2016

CCPI PERFORMANCE RATING OF THE SHARE OF RENEWABLES [7]

Recent developments
(2009-2014)
excl. hydro and traditional biomass

Current level
(2014)
incl. hydro and excl. traditional biomass

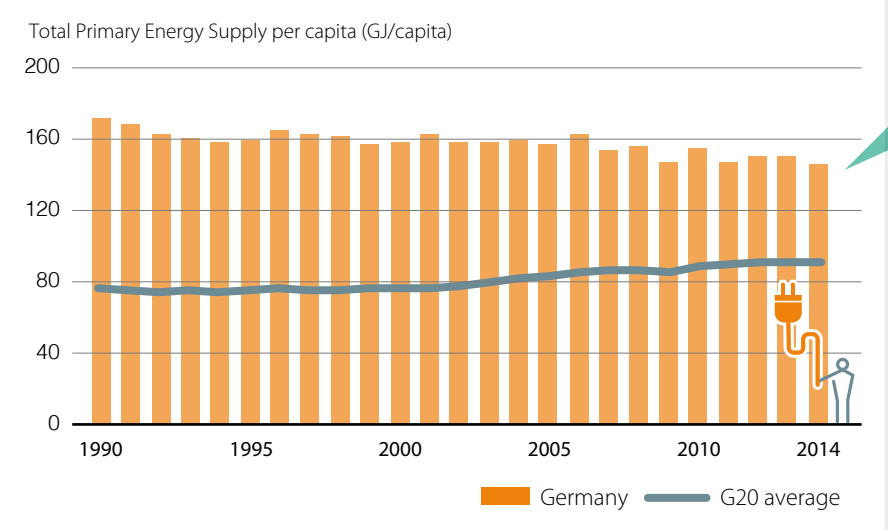


Source: CCPI 2017 – G20 Edition

GERMANY

DECARBONISATION

ENERGY USE PER CAPITA[24]



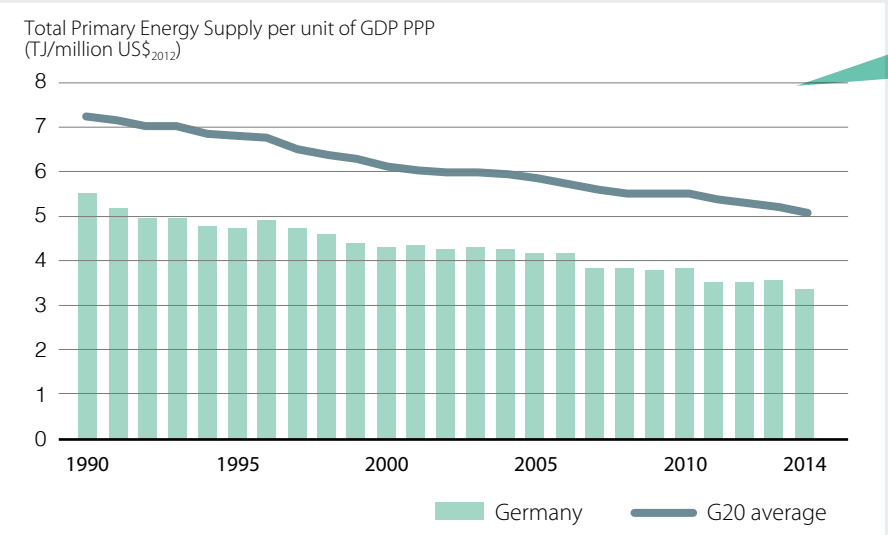
Germany's per capita energy use has shown a slow downward trend, reaching 147 GJ/capita in 2014, still significantly higher than the G20 average of 91 GJ/capita.

Source: IEA, 2016

CCPI PERFORMANCE RATING OF ENERGY USE PER CAPITA[7]

Source: CCPI 2017 – G20 Edition

ENERGY INTENSITY OF THE ECONOMY[25]



The energy intensity of Germany's economy has been steadily decreasing over recent decades. Its 2014 levels are below the G20 average.

Source: IEA, 2016

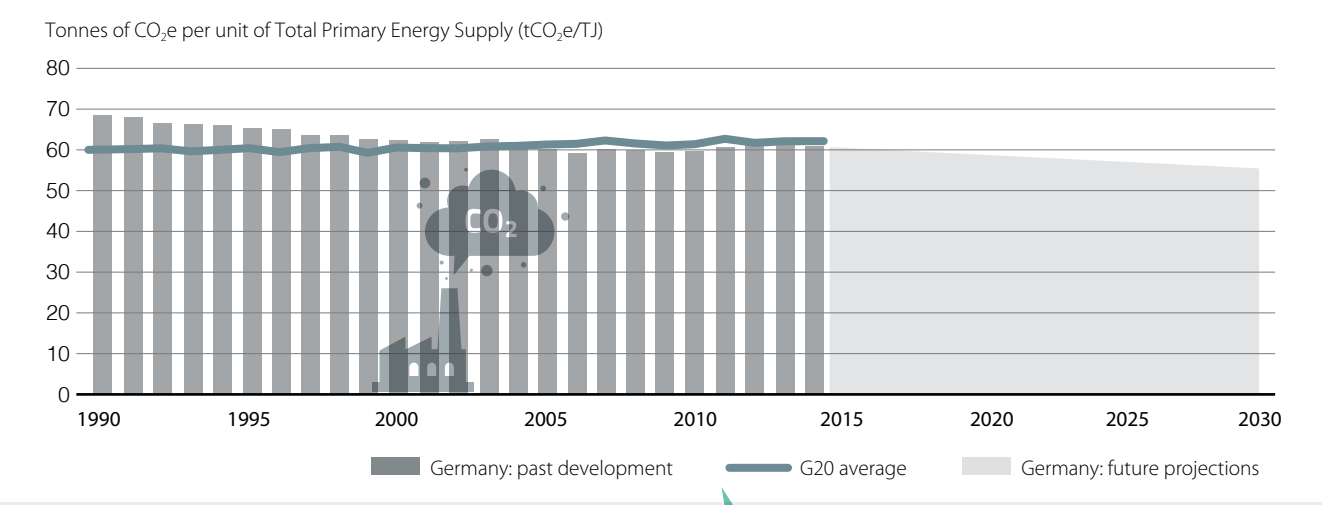
PERFORMANCE RATING

Source: own evaluation

GERMANY

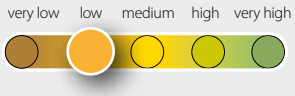
DECARBONISATION

CARBON INTENSITY OF THE ENERGY SECTOR [26]

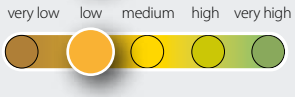


Source: IEA, 2016

PERFORMANCE RATING



RECENT DEVELOPMENTS (2009-2014)



CURRENT LEVEL (2014)

Source: own evaluation

The carbon intensity of Germany's energy sector has only moderately decreased over the past couple of decades. In 2014 it fell just below the G20 average but it remains well above the EU average.

ANNEX

G20

KEY INDICATORS

1) The Human Development Index (HDI) is a composite index published by the United Nations Development Programme (UNDP). It is a summary measure of average achievement in key dimensions of human development. A country scores higher when the lifespan is higher, the education level is higher, and GDP per capita is higher. Data for 2016.
2) Gross Domestic Product (GDP) per capita is calculated by dividing GDP with midyear population figures. GDP is the value of all final goods and services produced within a country in a given year. Here GDP figures at purchasing power parity (PPP) are used. Data for 2015.
3) PRIMAP-hist combines several published datasets to create a comprehensive set of greenhouse gas emissions pathways for every country and Kyoto gas covering the years 1850 to 2014 and all UNFCCC member states as well as most non-UNFCCC territories. The data resolves the main IPCC 1996 categories. Data for 2014.
4) The ND-GAIN index summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience. It is composed of a vulnerability score and a readiness score. In this report, we display the vulnerability score, which measures a country's exposure and sensitivity to the negative impact of climate change in six life-supporting sectors – food, water, health, ecosystem service, human habitat and infrastructure. In this report, we only display the vulnerability score of the index. Data for 2015.
5) Average level of exposure of a nation's population to concentrations of suspended particles measuring less than 2.5 microns in aerodynamic diameter, which are capable of penetrating deep into the respiratory tract and causing severe health damage. Data for 2015.

GREENHOUSE EMISSIONS (GHG)

6) This indicator gives an overview of the country's emissions profile and the direction the country's emissions are taking under current policy scenario.
7) The Climate Change Performance Index (CCPI) aims to enhance transparency in international climate politics. On the basis of standardised criteria, the index evaluates and compares the climate protection performance of countries in the categories GHG emissions, renewable energy and energy use. It assesses the recent developments, current levels, policy progress and the compatibility of the country's current performance and future targets with the international goal of limiting global temperature rise well below 2°C.

CLIMATE POLICY PERFORMANCE:

8) The table below displays the criteria used to assess a country's policy performance. For the sector-specific policy criteria the 'high' rating is informed by the Climate Action Tracker (2016) report on the ten steps needed to limit warming to 1.5°C and the Paris Agreement.
9) The CCPI evaluates a country's performance in national climate policy, meaning the performance in establishing and implementing a sufficient policy framework, as well as international climate diplomacy through feedback from national climate and energy experts.
10) The Climate Action Tracker is an independent, science-based assessment that tracks government emissions reduction commitments and actions. It provides an up-to-date assessment of individual national pledges, targets and NDCs and currently implemented policies to reduce greenhouse gas emissions.

FINANCING THE TRANSITION

11) The Allianz Climate and Energy Monitor ranks G20 member states on their relative fitness as potential investment destinations for building low-carbon electricity infrastructure. The investment attractiveness of a country is assessed through four categories: policy adequacy, policy reliability of sustained support, market absorption capacity and the national investment conditions.
12) The Renewable Energy Country Attractiveness Index (RECAI) produces scores and rankings for countries' attractiveness based on macro drivers, energy market drivers and technology-specific drivers which, together, compress a set of 5 drivers, 16 parameters and over 50 datasets. For comparability purposes with the Allianz Monitor index, we divided the G20 members included in the latest RECAI ranking (May 2017) in two categories and rate the top half as "high performance" and the lower half as "medium performance".
13) The green bonds country indicator shows which countries are active in the green bond market by showing green bonds per country as a percentage of the overall debt securities market for that country. Green bonds were created to fund projects that have positive environmental and/or climate benefits.
14) The data presented is from the OECD inventory: www.oecd.org/site/tadffss/ except for Argentina and Saudi Arabia for which data from the IEA subsidies database is used. The IEA uses a different methodology for calculating subsidies than the OECD. It uses a 'price-gap' approach and covers a sub-set of consumer subsidies. The price-gap approach compares average end-user prices paid by consumers with reference prices that corresponds to the full cost of supply.

To endnote 8) Rating	Criteria description		
	Low	Medium	High
Long term low emissions development strategy	No long term low emissions strategy	Existing long term low emissions strategy	Long-term low emissions strategy submitted to the UNFCCC in accordance with Article 4, paragraph 19, of the Paris Agreement
GHG emissions target for 2050	No emissions reduction target for 2050 (or beyond)	Existing emissions reduction target for 2050 (or beyond)	Emissions reduction target to bring CO_2 emissions to at least net zero by 2050
Renewable energy in power sector	No policy or support scheme for renewable energy in place	Support scheme for renewables in the power sector in place	Support scheme and target for 100% renewables in the power sector by 2050 in place
Coal phase-out	No consideration or policy in place for phasing out coal	Significant action to reduce coal use implemented or coal phase-out under consideration	Coal phase-out in place
Efficient light duty vehicles	No policy or emissions performance standards for LDVs in place	Energy/emissions performance standards or support for LDVs	National target to phase out fossil fuel cars in place
Efficient residential buildings	No policy or low-emissions building codes and standards in place	Building codes, standards and fiscal/financial incentives for low-emissions options in place	National strategy for near-zero energy buildings (at least for all new buildings)
Energy efficiency in industry sector	No policy or support for energy efficiency in industrial production in place	Support for energy efficiency in industrial production (covering at least two of the country's subsectors (e.g. cement and steel production))	Target for new installations in emissions-intensive sectors to be low-carbon after 2020, maximising efficiency
Reducing deforestation	No policy or incentive to reduce deforestation in place	Incentives to reduce deforestation or support schemes for afforestation /reforestation in place	National target for reaching zero deforestation by 2020s

ANNEX (continued)

G20

15) This footnote had to be deleted as the data for the corresponding indicator was not available at the time of publication of this report.

16) In addition to carbon pricing mechanisms, emissions trading schemes and various energy taxes also act as prices on carbon, although they are generally not developed with the aim or reducing emissions. The OECD report presents calculations on 'Effective Carbon Rates' as the sum of carbon taxes, specific taxes on energy use, and tradable emission permit prices. The calculations are based on 2012 energy policies and prices, as covered in OECD's Taxing Energy Use database. According to OECD estimates, to tackle climate change emissions should be priced at least EUR 30 (or US$ 37) per tonne of CO_2 revealing a major 'carbon pricing gap' within the G20.

17) The effective carbon rate presented in this country profile does not factor in emissions from biomass, as many countries and the UNFCCC treat them as carbon-neutral. However, in many cases biomass emissions are found to be non-carbon neutral over their lifecycle, especially due to the land use changes they cause.

18) Finance delivered through multilateral climate funds comes from Climate Funds Update, a joint ODI/Heinrich Boell Foundation database that tracks spending through major multilateral climate funds. Figures include: Adaptation for Smallholder Agriculture Programme; Adaptation Fund; Clean Technology Fund; Forest Carbon Partnership Facility; Forest Investment Program; Global Environment Facility (5th and 6th Replenishment, Climate Focal Area only); Least Developed Countries Fund; Partnership for Market Readiness; Pilot Program for Climate Resilience; Scaling-up Renewable Energy Program; and the Special Climate Change Fund.

19) Bilateral finance commitments are sourced from Party reporting to the UNFCCC under the Common Tabular Format. Figures represent commitments of funds to projects or programmes, as opposed to actual disbursements.

20) Data for the MDB spending on climate action includes ADB, AfDB, EBRD, EIB, IDB, IFC and the World Bank. Data is self-reported annually by the MDBs, based on a shared methodology they developed. The reported data includes MDBs own resources and expenditure in EU13, not funding from external sources that are channelled through the MDBs (e.g through bilateral donors and dedicated climate funds that are captured elsewhere). Data reported corresponds to the financing of adaptation or mitigation projects or of those components, sub-components, or elements within projects that provide adaptation or mitigation benefits (rather than the entire project cost). It does not include public or private finance mobilised by MDBs.

DECARBONISATION

21) Total primary energy supply data displayed in this factsheet does not include non-energy use values.

22) The share of coal in total primary energy supply reveals the country's historical and current proportion of coal in the energy mix. As coal is one of the dirtiest of fossil fuels, reducing coal's share in its energy mix is a crucial step for a country's transition to a green economy.

23) The share of renewable energy in total primary energy supply shows a country's historical and current proportion of renewables in the energy mix. The numbers displayed in the graph do not include residential biomass and waste values. Replacing fossil fuels and promoting the expansion of renewable energy is an important step for reducing emissions.

24) TPES per capita displays the historical, current and projected energy supply in relation to a country's population. Alongside the intensity indicators (TPES/GDP and CO_2/TPES), TPES per capita gives an indication on the energy efficiency of a country's economy. In line with a well-below 2°C limits, TPES/capita should not grow above current global average levels. This means that developing countries are still allowed to expand their energy use to the current global average, while developed countries have to simultaneously reduce it to that same number.

25) TPES per GDP describes the energy intensity of a country's economy. This indicator illustrates the efficiency of energy usage by calculating the energy needed to produce one unit of GDP. A decrease in this indicator can mean an increase in efficiency but also reflects structural economic changes.

26) This indicator describes the carbon intensity of a country's energy sector (expressed as the CO_2 emissions per unit of total primary energy supply) and gives an indication on the share of fossil fuels in the energy supply.

For more detail on the sources and methodologies behind the calculation of the indicators displayed, please download the Technical Note at:

http://www.climate-transparency.org/g20-climate-performance/g20report2017