

**Policy brief**

# INTERNATIONAL CLIMATE POLICY AS A STRATEGIC LEVER FOR GERMAN FOREIGN POLICY

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## Summary

Germany's international trade interests are increasingly caught between global crises, geopolitical power shifts and the ongoing transformation towards a climate-neutral global economy. In this context, a forward-looking international climate policy can not only contribute to overcoming global challenges, but also open up economic opportunities and strengthen strategic alliances.

This policy brief identifies **five priorities** that are derived from the international trade objectives enshrined in the German coalition agreement and shows how these can be specifically supported by a strategic and ambitious international climate policy.



### **Building and deepening strategic partnerships:**

Climate policy cooperation increases the relevance and attractiveness of offers from Germany to countries in the Global South. Transformation partnerships that are geared towards the sustainable development priorities of partner countries, for example by establishing clean industries, promoting technology transfer or strengthening social resilience, create long-term connections and strengthen Germany's geopolitical position in the competition for partnerships and future markets.



### **Strengthen multilateralism and expand global leadership:**

Germany should anchor the transformation to climate neutrality as a stabilising factor in the multilateral system. Germany has multiple levers to strengthen trust, promote democratic structures, deepen international cooperation and consolidate multilateralism in geopolitically turbulent times. A structured dialogue with countries in the Global South – in line with their development and decarbonisation priorities – as well as proactive engagement in multilateral forums and a commitment to fair climate financing would support such priorities.



### **Reduce dependencies and secure supply chains:**

The restructuring of global supply chains offers opportunities for fair, transparent and sustainable partnerships, for example for critical raw materials or renewable hydrogen. Climate foreign policy can help to reduce dependencies while promoting local development in partner countries. Sustainable trade regulations and common standards strengthen international resilience.



### **Promote Germany as a leader in clean tech exports:**

Green lead markets are emerging around the world and German companies would benefit from a clear, reliable foreign and climate policy. International cooperation facilitates market access, secures investments and supports the exportability of green technologies. Climate policy thus strengthens the resilience and future viability of Germany as a business location.



### **Integrate climate as a key component of German security policy:**

Climate change can exacerbate existing risks and tensions, especially in fragile states. International climate policy can help to strengthen resilience and meaningfully complement foreign policy and security strategies. Climate is a central component of a comprehensive concept of security.

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## Introduction

As the new German government took office in May 2025, Germany announced a reorientation of its international trade priorities. The coalition agreement emphasises the need for a coherent foreign policy and strategic partnerships in a changing world characterised by geopolitical tensions, armed conflicts and global uncertainty. For an export-oriented economy like Germany, international cooperation is not an end in itself, but an economic necessity: partner countries offer access to critical raw materials, clean energy, growing sales markets and urgently needed skilled labour, all of which are key factors for future competitiveness.

This makes it all the more important for Germany to play an active role in shaping the ongoing global transformation towards climate-neutral and resilient economic structures. The consequences of climate change not only threaten livelihoods worldwide, but also directly affect the foreign, security and economic policy interests of Germany and its partners. Simultaneously, the transformation opens considerable opportunities for innovation, technological leadership, new markets and a realignment of strategic partnerships and alliances.

**An ambitious international climate policy can thus be used as a strategic instrument for promoting national interests.** It secures supply chains, strengthens multilateral cooperation, increases resilience and protects key German interests – economically, geopolitically and ecologically. And yet, Germany's contribution to the global transformation is also an expression of its historical responsibility in climate action. Recognising this and underlining it through consistent action is essential for international credibility. It represents first and foremost an investment in our own common future viability.

This policy brief analyses how the foreign policy goals enshrined in the coalition agreement can be supported by a strategic and ambitious international climate policy – why this approach is essential to safeguard Germany's competitiveness.

## Establish and deepen strategic partnerships



<sup>1</sup> This and all subsequent page references refer to the 2025 coalition agreement between the CDU, CSU and SPD, available at: <https://www.koalitionsvertrag2025.de/>.

### What the government prioritises

The Federal Government aims to strengthen Europe's ability to act and **expand strategic partnerships, particularly with countries in the Global South** (p. 125)<sup>1</sup>. Bilateral relations with the Global South are to be intensified and transformed into a global network, accompanied by the creation of a new North-South Commission (p. 127). Strategic external communication is also to be further developed in a targeted manner and aligned more closely with German interests and values (p. 129). In the future, the German government seeks to move away from fixed country categories when establishing its partnerships and instead react more flexibly to changing contexts (p. 133).

### How international climate policy supports this priority

In order to effectively implement the desired strengthening of strategic partnerships, the **transition to a low-emission and climate-resilient economy** should be systematically included in their design. At a time of increasing global competition for political and economic cooperation and growing geopolitical uncertainties, such elements can contribute to the attractiveness, credibility and sustainability of German partnership offers.

Partner countries pursue their own goals in the areas of sustainable development, economic diversification and the establishment of green industries. Offers that address these interests – for example through **joint investments in low-emission infrastructure, technology transfer or the development of green value chains** – create long-term contact points for economic cooperation, open new markets and strengthen regional stability. At the same time, they can help to prevent climate-related risks and thus promote economic and political resilience.

We therefore recommend a targeted development of partnerships that address not only economic and energy policy aspects but also **institutional capacity building and the promotion of local value creation**. Such partnerships

can align Germany's strategic interests (e.g. access to critical raw materials for the energy and industrial transition as well as to markets and future technologies) with the development paths of partner countries and build substantial, resilient relationships.

The creation of a **North-South Commission** envisaged in the coalition agreement (**see → Box**) offers the opportunity to create a strategic platform for the further development of integrated partnerships. A clear prioritisation of the goals of the 2030 Agenda and the Paris Agreement within this framework can help to strengthen trust, promote international cooperation and expand Germany's scope of action for foreign policy in the global context.

### What governance approaches are needed

Effective international cooperation on partnerships requires **clear national and European coordination structures**. Coherent action of the Federal Government requires close coordination between the Federal Foreign Office (AA), the Federal Ministry for Economic Cooperation and Development (BMZ), the Federal Ministry for Economic Affairs and Energy (BMWE), the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN) and German representations abroad. **Strategic communication** should be strengthened, for example via the climate embassies or the active involvement of implementing organisations. Close European coordination is also key: joint formats in a Team Europe approach increase the visibility and impact of German contributions in the global competition for partnerships, via **Global Gateway** or via bilateral initiatives of other Member States (**see → NewClimate Institute (2024) Shaping Strong EU Partnerships**).

### **Box: The new North-South Commission: an opportunity for coherent and effective cooperation**

In the coalition agreement, the German government declares its intention to „intensify bilateral relations with the Global South and develop them into a global network“ (p. 127). A North-South Commission is to be established to oversee the content of this endeavour. The name suggests a connection to the North-South Commission initiated by Willy Brandt in 1977, which focused on international development issues. Since then, geopolitical conditions, actors and requirements for global cooperation have changed fundamentally. For the new Commission to **contribute to strengthening sustainable partnerships**, it should be adapted to today's realities and established strategically.

#### **Success factors for a future-oriented North-South Commission:**

- Involvement of diverse actors from the government, civil society, the private sector and academia, both from the Global South and North
- Use of existing dialogue formats to create synergies and avoid duplication
- Anchoring in national and international strategies, in particular the 2030 Agenda, the Sustainable Development Goals (SDGs) and the Paris Agreement
- Coordination with partnerships and initiatives led by the EU Commission (e.g. Global Gateway, Clean Trade and Investment Partnerships, Strategic Partnerships on Critical Raw Materials, etc.) **(see → NewClimate Institute (2024) EU Climate Partnerships - Fit for Purpose?)**
- Focus on joint decision-making and cooperation on an equal footing
- Prioritisation of partnerships with a clear focus on a just transformation towards climate neutrality
- Use as a platform for strategic exchange, political dialogue and systemic knowledge transfer
- Collection of good practices, for example for building resilient, fair and low-emission supply chains
- Inclusive and transparent governance structure with a clear mandate that ensures participation and legitimacy
- Provision of sufficient resources
- Whole-of-government approach that ensures cross-departmental coherence

#### **What should be avoided:**

- Creation of a parallel format without connection to existing initiatives
- Short-sighted thematic or institutional perspectives (e.g. addressing the causes of migration)
- Symbolic politics without strategic added value or influence on decision-making processes
- Exclusion of civil society or subnational actors



## Strengthen multilateralism and expand global leadership



### What the government prioritises

**Strengthening multilateralism and its institutions** is presented by the new government as the centrepiece of national foreign policy priorities. The coalition agreement emphasises the need to strengthen multilateralism and its structures (p. 126), as well as to uphold the values of cooperation in the United Nations (UN) and other organisations such as the World Bank (p. 134).

### How international climate policy supports this priority

If Germany wants to effectively strengthen multilateralism, it is in its security and foreign policy interests to anchor the **transformation to climate neutrality as a strategic pillar of global stability**. The effects of climate change are exacerbating existing crises worldwide, particularly in geopolitically sensitive regions.

Germany can strengthen its international leadership role in a targeted manner by closing geopolitical gaps left by states that are turning away from multilateralism. **New dialogue formats with emerging economies** such as China, India, Brazil, Mexico, South Africa or Indonesia as well as active engagement in forums such as the G20, the G7, the multilateral development banks and the United Nations (UN) – especially the UNFCCC and the world climate conferences (COPs) – can strengthen Germany's role as a reliable partner. Such formats provide the opportunity to commit to and work on the strengthening of democratic systems.

Effective engagement in these formats requires Germany to speak with a clear, coherent voice. In order to be heard internationally, Germany should show that it **takes global challenges seriously and is working towards formulating joint answers** to the most urgent issues. This includes the deep transformation of the economy and society towards climate neutrality. The transformation encompasses climate mitigation but also issues that are of particular importance for many partners in multilateral forums – such as adapting to the effects of climate change, dealing with Loss and Damage and building

green local value chains and resilient infrastructures. The continuation of plurilateral initiatives such as the Just Energy Transition Partnerships (JET-Ps), the Group of Friends for Ambitious EU Climate Diplomacy or the Climate Club would demonstrate Germany's reliability and commitment to a fair, resilient global order.

The goal of an **equitable decarbonisation of the global economy** can serve as an important lever for deepening multilateral cooperation and driving forward reform processes that strengthen other countries' adherence to the multilateral system. **Germany's reliability and credibility as a multilateral player** could be emphasised by supporting a fair transition and an ambitious commitment to climate financing.

### What governance approaches are needed

Germany should present a strong, united voice in the multilateral arena. A prerequisite for successful climate diplomacy is to **lead by example**. By consistently implementing their own measures to achieve climate neutrality, Germany and the EU can present a credible image in multilateral forums and advocate for the equitable decarbonisation of partner countries. **Proactive engagement in multilateral forums**, particularly on issues essential to the Global South such as climate finance, access to critical raw materials, energy partnerships or resilient supply chains, would strengthen international trust in **Germany and the EU as reliable advocates of a fair multilateral system**. In order to present a united and effective front, the German government should ensure close coordination of all German representatives in multilateral forums and simultaneously actively shape and represent the EU's common priorities.

## Reduce dependencies and secure supply chains



### What the government prioritises

The Federal Government is pursuing the goal of strengthening Germany's economic sovereignty through **more resilient value chains, the reduction of strategic dependencies and the targeted expansion of global partnerships** (p. 4, p. 10). To this end, raw material imports are to be diversified, trade and energy partnerships are to be concluded on an equal footing and European resources are to be better utilised (p. 10, p. 34). Particularly in key technologies such as renewable energies or semiconductors, the new government is endeavouring to avoid creating new dependencies (p. 29, p. 66). At the same time, the coalition agreement emphasises that Germany should remain open to global trade and that investments should be made in integrated, European supply chains (p. 4, p. 135). An annual risk analysis by a commission of experts should make economic vulnerabilities visible and recommend measures for de-risking (p. 10). The aim is to strengthen Europe's strategic sovereignty along the secure value chain (p. 137).

### How international climate policy supports this priority

The global transformation towards sustainable industrial production is also changing international supply chains. Investing in **fair, transparent and climate-compatible partnerships** at an early stage reduces dependencies and creates resilience. Targeted cooperation with countries rich in raw materials can strengthen local value creation and secure global market positions.

Partnerships with stable democracies and institutionally reliable countries in the Global South offer potential for the development of sustainable supply relations, e.g. on critical raw materials or green hydrogen. A condition is that **ecological, social and economic criteria** are anchored in the design of partnerships and local development is promoted. This not only increases security of supply but also strengthens **Germany's attractiveness as a long-term partner**.

Access to critical raw materials is particularly central to the energy transition and digital technologies. Partnerships should go beyond mere supply contracts and promote local value creation, ambitious environmental and social standards and knowledge transfer. Given the global **urgency to diversify the supply chains for critical raw materials**, these criteria will be crucial to be able to table attractive offers. Germany can also provide impetus in the design of climate and commodity-related trade rules at EU level (e.g. due diligence rules, sustainability criteria). **Close coordination with industrial, climate and international trade policy** is crucial in order to position Germany as a fair, innovation-driven and reliable partner.

### What governance approaches are needed

Governance instruments like the Team Europe approach enable a better coordination of European raw materials and energy strategies. Foreign, economic and climate policy measures should be taken together in an integrated approach. Communication processes between embassies and ministries, in particular the BMWE and the BMUKN, should ensure that **new strategic partnerships are in line with the priorities and decarbonisation goals** of Germany and its partner countries. This way, synergies can be leveraged, global partners can be addressed more clearly, and national interests can be strategically incorporated.

## Promote Germany as a leader in clean tech exports



### What the government prioritises

The Federal Government seeks to **safeguard Germany's position as a leading business and export location in the long term** – by promoting innovation, technological leadership and sustainable competitiveness. The focus is on investment in future-oriented technologies such as artificial intelligence, biotechnology, hydrogen and clean energy (p. 4). At the same time, the decarbonisation of the economy is to be promoted, and international competitiveness strengthened. Germany wants to position itself as an open and globally networked economy that builds on the European single market and actively promotes new trade agreements (p. 6). German and European companies in particular are to benefit from state-supported financing and international trade policy. A new central contact point for international trade promotion and development cooperation should facilitate access to foreign markets (p. 133). Strengthening Europe as a strong industrial centre is also named as a priority goal within the EU (p. 136).

### How international climate policy supports this priority

To secure the desired strengthening of Germany as a sustainable business and export location in the long term, the ongoing global transformation towards **climate-neutral and low-emission economies should actively be shaped and strategically utilised**. Political targets, international regulation and market-based instruments – such as emissions trading systems, carbon border adjustment mechanisms or due diligence obligations along global supply chains – are fundamentally changing the framework conditions of international markets. These dynamics are increasingly influencing the demand for technologies and products, thereby determining the competitiveness of national economies in the long term.

It is advisable to **align international trade strategies with global transformation processes** to secure a competitive and favourable export-oriented position. This applies particularly to key areas such as low-emission

industrial processes, renewable energies, green hydrogen, resource-efficient production and climate-friendly mobility solutions. Research and innovation funding as well as international cooperation formats can help to set technological standards at an early stage and tap into market potential.

Measures supported by foreign trade – like **supporting technology transfer, developing green industrial sectors or expanding joint innovation and Research & Development partnerships** – can expand export opportunities, stabilise supply chains and secure access to critical raw materials. Climate and environment-related provisions in trade agreements also offer an instrument for anchoring sustainable standards and supporting companies in gaining market access.

Germany's targeted international positioning in the field of sustainable technologies not only **increases its economic resilience but also strengthens its attractiveness** as a partner in the global competition.

### What governance approaches are needed

A strategically orientated international trade policy requires a **close interlinking of innovation promotion, trade, climate and development policy**. The planned joint contact point for international trade promotion and development cooperation should serve as a central hub. Initiatives that promote closer coordination between the respective ministries and between the Member States and the EU institutions will strengthen coherence and increase the impact in the international competition for future technologies.



## Integrate climate as a key component of German security policy



### What the government prioritises

As per its coalition agreement, **the Federal Government seeks to pursue an integrated approach to security policy** (p. 126). In view of authoritarian threats and numerous new global conflicts (p. 1), the Federal Security Council is to be expanded into a **National Security Council in the Chancellery**, to coordinate strategy and situation assessment (p. 126). Regarding international crises, humanitarian aid and crisis prevention should be adequately financed and partnerships reviewed (p. 129). In the area of conflict management and peacekeeping, the government wants to strengthen the implementation of UN Resolution 1325 „Women, Peace and Security“ (p. 129). The government in general commits to the defence of human rights, democracy and the rule of law through strong national and international institutions and jurisdictions (p. 134). In addition, energy security is to be strengthened through diversification, efficiency and sustainable supply (p. 137).

### How international climate policy supports this priority

Climate change and its consequences should be considered as key components of an integrated approach to security, as the government is endeavouring to achieve. **Climate change and security are closely linked** and require a holistic approach.

Climate change acts as a risk and threat multiplier and jeopardises international security, e.g. through water scarcity, extreme weather, hunger or poverty, and thus contributes to regional instability. In order to promote peace and prevent conflicts, Germany should consistently embed the fight against climate change as an integral part of its foreign policy and security strategy.

**An integrated approach to security requires the strengthening of human security.** Climate-related risks to economic-, health-, water- and food-security should be more strongly integrated into humanitarian, development and diplomatic measures. Climate mitigation and limiting the consequences of climate change are the central challenges facing humanity

to secure its livelihoods and economic foundations. Germany can make its fair contribution by continuing to actively **integrate the transition to a low-emission future into its international efforts to strengthen security**, whether bilaterally with partner countries or multilaterally, such as through the Group of Friends on Climate and Security.

In parallel, Germany should strengthen the **resilience of vulnerable countries to counteract climate-related instability**, e.g. by actively participating in the financing of Loss and Damage and climate adaptation, as well as by supporting the UN Climate Security Mechanism. In accordance with UN Resolution 1325, the vulnerability of women to climate risks should be recognised and their adaptive capacity specifically promoted.

In the energy sector, dependence on fossil fuels jeopardises security of supply, particularly when imported from autocracies and conflict zones. Domestic security and the reduction of such dependencies should therefore be considered together. **The expansion of renewable energies and the development of partnerships with like-minded democracies** are key to combining energy security and the creation of resilient energy systems.

### What governance approaches are needed

The EU addresses climate risks to global security as part of the Common Foreign and Security Policy (CFSP). Germany could intensify coordination with the European External Action Service and the Commission, particularly regarding **conflict early warning systems and prevention instruments**. Germany and partner countries should continue to actively include climate change as a threat multiplier in the NATO Action Plan on Climate Change and Security, so it does not fall off the agenda despite geopolitical crises. An integrated security approach could be strengthened at the national level by integrating climate expertise from the BMUKN into the new Security Council and through closer **and interdepartmental coordination between the Chancellery, BMUKN, BMZ and AA**.