

# The opportunities of international climate cooperation: Indispensable for the Global South AND the Global North

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## **1 From Kyoto to Paris: The development of international market mechanisms in the climate regime**

With the entry into force of the Kyoto Protocol in 2005, the foundation was laid for one of the first international emissions trading mechanisms: the Clean Development Mechanism (CDM). This was intended to combine two central objectives: on the one hand, to make the commitments of industrialised countries to reduce their greenhouse gas emissions efficiently enforceable, and on the other hand, to provide impetus for sustainable development in poorer countries.

For industrialised countries, the CDM offered the opportunity to meet some of their emission targets under the Kyoto Protocol, which are binding under international law, by investing in cheaper mitigation measures abroad. The idea behind this was that, from a global climate perspective, emissions have the same impact regardless of where they are avoided

and that developing and emerging economies in particular often had significantly greater potential for avoiding emissions than industrialised economies. The CDM thus became a flexibility instrument that sought to combine economic efficiency with global responsibility.

At the same time, it was intended to open the door for the global South to participate in international climate protection efforts – not through binding reduction targets, but through project-based cooperation.

For the host countries, the mechanism promised not only additional financial resources for climate-related investments, but also technology transfer, capacity building and the promotion of local economic development. The CDM was thus not only a climate instrument, but also a contribution to international development cooperation. Projects were supposed to contribute to social, economic and environmental improvements, for example by providing access to electricity, creating jobs or reducing environmental pollution. In fact, the CDM rules stipulated that each project application had to include an assessment of its contribution to promoting development – although the concrete implementation and verification of these requirements varied greatly in practice.

In practice, the mechanism led to the registration of over 8,100 projects in more than 110 countries (as of 2020). The range of these projects was considerable. A significant proportion was accounted for by the expansion of renewable energies, including large hydropower plants in China, wind and solar parks in India and biomass projects in Southeast Asia. Other important categories included measures to improve industrial energy efficiency, to avoid climate-damaging gases such as F-gases and methane from landfills and wastewater treatment plants, to burn sewage and mine gases, and to introduce lower-emission cooking technologies in households.

Particularly extensive – but also controversial – were projects to destroy so-called industrial by-products with high global warming potential, such as HFC-23, a waste product from refrigerant production. These projects led to very high emissions reductions per unit, but at the same time raised questions about false incentives – for example, whether the production of the source substances was deliberately increased in order to generate as many credits as possible. Other projects, such as the distribution of efficient cooking stoves or reforestation, were smaller in scale, associated with immediate development benefits, but less attractive economically and therefore underrepresented.

Overall, the registered projects reflected a strong geographical concentration: around 80% of the emission credits (CERs) issued were accounted for by just five countries – primarily China, India,

Brazil, Mexico and South Korea. This was not only due to the economic power and project infrastructure of these countries, but also to the fact that the CDM followed a market-based approach in which projects were developed where the conditions for investment and certificate sales were most favourable – regardless of development policy objectives.

Despite this impressive number of projects and the associated investments in climate-relevant infrastructure, criticism grew over time. The main issue was additionality – in other words, whether the emission reductions actually went beyond measures that were already planned in the host countries. Many projects – especially large-scale industrial measures – would probably have been implemented even without the CDM. At the same time, there was an oversupply of CERs, which led to a dramatic drop in prices and thus to a dwindling climate policy incentive. The social and ecological side effects of individual projects also became an increasingly important issue, for example in connection with large-scale dam construction or inadequate participation of local populations.

With the transition from the Kyoto Protocol to the Paris Agreement in 2015, it finally became clear that the architecture of the CDM no longer fit into the new, universal climate regime. While Kyoto was based on fixed, binding reduction targets for industrialised countries, the Paris Agreement is based on voluntary national climate plans (Nationally Determined Contributions, NDCs) for all signatory states. In this new context, international market mechanisms had to be fundamentally rethought and redesigned.

In 2021, the CDM effectively came to an end with the expiry of the second Kyoto commitment period.

## **2 The difficult birth of a new framework: the path to the market mechanisms of the Paris Agreement**

The Paris Climate Agreement of 2015 laid the international legal foundation for a new global climate regime – more universal, flexible and dynamic than before – with accompanying advantages and disadvantages. Unlike the Kyoto Protocol, the Agreement no longer commits only industrialised countries to specific emission reductions, but calls on all countries to formulate their own climate targets in the form of Nationally Determined Contributions (NDCs) and to regularly tighten them. Among other things, this architecture required a major rethink of the design of international market mechanisms: The old structures, such as the Clean Development Mechanism (CDM), were not transferable one-to-one in this new logic, either technically or politically, as they were based on a fundamentally different system: Under the Kyoto Protocol, climate policy was organised in a highly asymmetrical manner, with binding reduction targets exclusively for industrialised countries (Annex I countries), while developing countries were not required to

their own emission limits. In this context, the CDM functioned as a mechanism whereby industrialised countries financed emission reductions in developing countries and could count these as certified emission reductions (CERs) towards their own commitments.

The Paris Agreement, however, has blurred this distinction between industrialised and developing countries: all signatories – regardless of their level of development – are now required to formulate their own climate targets (NDCs). This fundamentally changes the political framework. If all countries now pursue their own emission targets, the question arises as to how emission reductions achieved through international cooperation can be credited without double counting. The CDM did not provide for suitable rules in this regard.

Technically, too, the CDM no longer met the requirements of the new architecture: it had been frequently criticised for a lack of additionality, insufficient transparency and the sometimes dubious climate impact of its projects. Furthermore, there was no systematic integration into the long-term climate strategies of the partner countries. Under the Paris Agreement, however, international cooperation mechanisms are intended not only to generate emission reductions, but also to promote sustainable development and increase the ambition of the NDCs. These higher standards necessitated a fundamental conceptual and regulatory overhaul, which ultimately led to the development of Article 6. The development of a new set of rules for international cooperation under Article 6 of the Agreement became one of the most complex and lengthy parts of the Paris Agreement implementation process.

### **Conflicting goals and political tensions**

The negotiations on Article 6 dragged on for several years and were marked by fundamental conflicts of interest:

- **Environmental integrity vs. flexibility:** While industrialised countries such as the EU and Canada insisted on strict rules to avoid double counting and robust monitoring, reporting and verification (MRV) standards, many developing countries pushed for more flexible and low-threshold access to market mechanisms so as not to hinder investment.
- **Bilateralism vs. multilateralism:** Some countries preferred bilateral cooperation formats (Art. 6.2), which allow them to trade emission reductions directly with each other. Others – especially smaller or structurally weak countries – wanted a central mechanism administered by the UN (Art. 6.4) that guarantees transparent rules and fair participation.

- **Old certificates vs. a fresh start:** The question of whether old CERs from the CDM can be transferred to the new system divided the signatory states. While China and Brazil in particular insisted on a transitional arrangement, other states feared that the new mechanisms would lead to a dilution of quality.
- **Consideration of NDCs:** The fundamental question arose as to how international transfers of emission reductions could be compatible with national climate targets without undermining the ambition of the NDCs.

## Principles of the new architecture

After years of negotiations, key elements of the design were agreed at COP26 in Glasgow (2021) and at follow-up conferences such as COP27 in Sharm el-Sheikh (2022) and COP28 in Dubai (2023). It became clear that the new mechanisms should not simply extend the CDM logic, but should be fundamentally reformed.

The core principles include:

- **Avoidance of double counting:** A so-called "corresponding adjustment" is required. If country A transfers an emission reduction to country B, A must deduct this reduction from its own NDC balance.
- **Integration into national climate targets:** Unlike under the CDM, all activities will be embedded in the respective NDCs in future. This creates a direct link to the ambition architecture of Paris.
- **Strengthening environmental integrity:** New mechanisms must be demonstrably additional, permanent and verifiable. Projects with dubious climate impact are to be excluded.
- **Centralised oversight** (Art. 6.4): The new UN mechanism under Art. 6.4 provides for a registry, an oversight body and standardised methodologies – with the aim of creating a credible global carbon market that fosters transparency and trust.
- **Promotion of sustainable development:** Article 6.4 explicitly calls for a contribution to sustainable development in host countries – beyond purely technical emissions reductions.

## Open questions and areas for improvement (as of July 2025)

Despite this progress, many key issues have not yet been finally clarified:

- **Operational implementation of Article 6.4:** The Supervisory Body has so far only adopted a few methodological standards. However, there is a lack of methodologies ready for use, e.g. for sectoral programmes, new technologies or nature-based solutions (e.g. forestry projects).

- **Building trust in correspondence adjustments:** Bilateral transfers under Article 6.2 are already underway, but the transparent traceability of the corresponding NDC corrections remains a technical and political challenge.
- **Dealing with old certificates:** There are still points of contention as to whether and to what extent CDM projects and CERs can be transferred to the new system. The positions of the signatory states on this issue are widely divergent.
- **Interaction with other markets:** Consistency with voluntary carbon markets (VCMs), regional trading systems (such as the EU ETS) and sectoral initiatives (e.g. CORSIA of the ICAO) has not yet been conclusively regulated. Overlaps could lead to distortions of competition or double counting.
- **Climate finance and fair access:** Many countries in the Global South are calling for the new mechanisms to not only function as trading systems, but also to make a reliable financial contribution to achieving their NDCs. A binding financial architecture is currently lacking in this area.

### **Initial implementation steps and current challenges**

Although emission credits under Article 6 cannot yet be counted towards the European Union's 2030 climate target – and are therefore not eligible under the EU Emissions Trading System (EU ETS) – the design of new market mechanisms is progressing at international level. At COP29 in Baku in November 2024, the multilateral framework for the application of Article 6 was further refined after lengthy negotiations. This now provides a broadly consensual basis for the operational implementation of both the bilateral cooperation mechanisms under Article 6.2 and the central UN mechanism under Article 6.4.

Article 6.2 regulates intergovernmental trade in emission reductions, known as Internationally Transferred Mitigation Outcomes (ITMOs). A frequently cited example is the cooperation between Switzerland and Thailand, in which Switzerland finances electric buses or modern cooling systems in Thailand and, after approval by both sides and corresponding accounting, credits the associated emission reductions to its own climate target (NDC). The technical and accounting requirements for this are demanding: each transferred unit must be assigned a

"corresponding adjustment" in the national emissions inventory to avoid double counting. Initial pilot projects of this kind are already being implemented, but ensuring full transparency and comparability of these transfers will be a key challenge in the coming years.

Article 6.4, on the other hand, provides for a central mechanism under UN supervision that works similarly to the CDM on a project basis, but with significantly higher requirements for environmental integrity, additionality and transparency. Unlike Article 6.2, these are not bilateral agreements, but a standardised system supervised by a specially established body (Supervisory Body). The aim is to generate emission reductions that can be internationally recognised and traded, whether to meet NDCs or voluntary climate targets set by companies.

However, it will probably be some time before the first certificates under Article 6.4 can actually be issued and traded. Although basic rules and operating principles were adopted at COP29, the development of recognised methodologies, the establishment of the central registry, the definition of assessment standards and the operational availability of a certificate standard are not yet complete. The first eligible projects are not expected until 2026 at the earliest.

At the same time, it is currently being examined whether and under what conditions existing projects from the Clean Development Mechanism (CDM) can be transferred to the new Article 6.4 system. This applies in particular to projects that can still deliver additional climate benefits and whose methodology is being adapted to the new requirements. However, there are high hurdles to overcome, including in terms of additionality, method integration and time limits. A blanket recognition of old certificates is ruled out in order not to undermine the credibility and environmental impact of the new mechanism.

Overall, 2025 marks a transition from the normative to the operational stage of market mechanisms under the Paris Agreement. While the political and methodological foundations are now largely in place, the real test still lies ahead for the players involved: it remains to be seen whether Article 6 – unlike the CDM – will be able to mobilise credible emissions reductions, direct global investment and, at the same time, support the ambitious target architecture of the Paris Agreement rather than undermine it.

### **3 Opportunities and risks of international cooperation projects under Article 6**

The new cooperation mechanisms of the Paris Agreement – in particular Articles 6.2 and 6.4 – are considered promising tools for scaling up global emissions reductions in a cost-effective manner while also creating economic incentives for the Global South. At the same time, many experts and organisations warn against repeating the structural weaknesses of past market mechanisms such as the CDM

– or even exacerbating them. Opportunities and risks are seen as conflicting priorities that must be carefully managed, both politically and methodologically.

### **1. Opportunities: climate cooperation, efficiency and financing**

Switzerland is a prime example of how Article 6 cooperation can be successfully implemented in practice. As part of its bilateral climate partnerships with countries such as Peru, Ghana and Thailand, it is investing in specific mitigation projects, e.g. low-emission cooling systems or the development of electric mobility, and is having their CO<sub>2</sub> impact credited through corresponding adjustments. This model combines cost-effective target achievement with added value for development policy – and could also serve as a model for the EU and Germany.

Nature-based solutions (NBS) such as reforestation, rewetting of peatlands or renaturation of degraded soils offer global CO<sub>2</sub> reduction potential of up to 11–14 Gt CO<sub>2</sub> per year according to the IPCC. In many cases, the costs of such measures are less than 20,€/t CO<sub>2</sub>, which is significantly below the average abatement costs in the EU ETS or for national measures in the building sector, for example. This enormous efficiency potential has not yet been exploited to anywhere near its full extent.

#### **a) Cost-effective target achievement**

Cooperation projects make it possible to achieve emission reductions where they are most economical. International transfers can create a win-win situation, especially for countries with limited technological capacities or high marginal abatement costs.

Various studies, including one by the Max Planck Institute (Probst, 2024), show that article-specific cooperation mechanisms can achieve significant efficiency gains compared to purely national implementation.

#### **b) Technology and capital transfer**

Article 6 projects can serve as a lever for development and technology transfer if they are well set up. Successful examples from pilot programmes (e.g. in Ghana and Chile) show that cooperation with industrialised countries can create new markets for solar energy, low-emission refrigerants and sustainable mobility. At the same time, the mechanisms enable additional financing for NDC implementation, especially in least developed countries (LDCs).

#### **c) Leverage for multilateral climate diplomacy**



Thanks to their bilateral and multilateral structure, Article 6 projects can also help strengthen climate policy partnerships – for example through climate clubs, sectoral agreements or

results-based climate financing. Such structures could help to better align climate targets internationally and build trust.

## **2. Risks: quality, accountability, market failure**

### **a) Lack of additionality and real climate impact**

Other studies – such as the meta-analysis in Nature Communications (2023) – suggest that only around 16% of the CO<sub>2</sub> projects examined delivered demonstrable additional benefits beyond the business-as-usual scenario. The Öko-Institut also criticised a "structural overestimation" of the climate benefits of the CDM. Individual projects such as the cooking stove programme in Myanmar (Carbon Market Watch, 2023) illustrate that even well-intentioned measures are often implemented without any causal impact on the emissions balance – while still receiving emission credits.

### **b) Perversion of incentives**

A well-known example from the history of the CDM is the targeted production of climate-damaging gases such as HFC-23 solely for the purpose of having their destruction certified. The Öko-Institut warns that "perverse incentive structures" could also arise in the new system, for example through overly complex methods, non-transparent baselines or conflicts of interest in project validation.

### **c) Governance and transparency deficits**

The lack of central control in the bilateral Article 6.2 approach is seen as particularly critical. Unlike under 6.4, there is no standardised methodology here, but rather individual agreements between states. This increases the risk of inconsistent quality, lack of transparency and incomprehensible double counting. Carbon Market Watch warns that "open accounting issues could become the biggest risk to the credibility of Article 6".

### **d) False offsetting and market failure**

Article 6 also offers a strategic perspective for the period after 2039, when no more allowances will be issued under the existing EU Emissions Trading System (ETS1). From that point on, international cooperation credits could provide a cost-effective supplementary mechanism, particularly for residual emissions in sectors that are difficult to decarbonise. Early integration would create planning certainty and enable the EU to stabilise its climate targets in the long term without risking economic disruption.

Current discrepancies, such as the "green" biofuel projects from China (2024) investigated by DIW Berlin, illustrate that even new certificates can be strategically manipulated by profit-seeking actors.

– especially if there are regulatory loopholes. These developments are reminiscent of the late years of the CDM, when the market was flooded with low-quality CERs, leading to a price collapse and massive criticism of the environmental impact.

### **3. EU perspective: Calls for caution regarding the counting of international certificates towards EU climate targets, also known as "reimports"**

The European Scientific Advisory Board on Climate Change (ESABCC) and various think tanks (Agora Energiewende, WWF Europe) are therefore warning against counting international certificates towards the EU's own climate targets – especially in the ETS or when setting targets for 2040. In its 2024 report, the ESABCC emphasises that such an approach would lead to a dilution of the ambition architecture and undermine the principles of additionality and own responsibility.

Consistency with the Fit for 55 framework and the EU's planned 2040 climate target is also currently being examined in an impact assessment by the Commission (expected in July 2025) – with strong indications that Article 6 certificates should only be used outside the main targets (e.g. in climate partnerships or for third-country offsetting).

### **Conclusion: Enormous potential that must be secured through good governance**

Article 6 offers significant strategic opportunities for global climate protection, particularly in terms of efficiency, cooperation and financing. At the same time, critical studies and negative experiences show that methodological, political and market-related risks must be addressed in a solution-oriented manner. The shortcomings of the CDM must be addressed consistently.

The decisive question will therefore be whether it is possible to create a new mechanism that deserves trust through robust rules, strict transparency and targeted control. In particular, the success of Article 6.4 as a credible multilateral system will be decisive for the legitimacy of international climate cooperation. Another aspect that will be crucial for long-term success is the creation of certificates that are verified and monitored as uniformly as possible on a global scale and recognised by existing cap-and-trade systems (such as the EU ETS) as equivalent to their own certificates. This will secure the economic value of the certificates created in developing and emerging countries, thereby creating an enormous pull factor for new projects, combined with large investments and the financial flows into the countries of the Global South that are necessary for economic development.

#### **4 Climate target for 2040: The EU is squandering its global impact through self-restraint**

By setting a 90% greenhouse gas reduction target for 2040, the European Union has sent an ambitious signal on climate policy. This target is intended to ensure decarbonisation by 2050 and position Europe as a global pioneer. However, on closer inspection, it becomes clear that the concrete design of EU climate policy remains inefficient in key areas and too isolated internationally – with considerable risks for economic competitiveness and international influence.

##### **1. The EU is unnecessarily restricting itself in the international context**

Despite opening up to "high-quality international credits" from 2036, the EU's basic stance is clear: international CO<sub>2</sub> certificates should only be used as an exceptional instrument, not as an integral part of strategic climate policy. In doing so, Brussels is largely ignoring the advantages that well-controlled international climate cooperation can offer: lower abatement costs, innovation-driven investment channels, technological learning curves and a more active role for Europe as an international player.

Instead of focusing on economic efficiency and international synergies, the EU is retreating into an increasingly fragmented, rule-driven system of internal control – with high transaction costs, sectoral conflicts of interest and a foreseeable acceptance problem. The result is unnecessary self-restraint that unnecessarily increases the price of climate neutrality in Europe while having little impact on global emission trajectories.

##### **2. Competitiveness is structurally weakened**

Current climate policy runs the risk of prioritising overpriced climate protection over industrial policy realities. While other regions of the world – such as China, the US and the Gulf states – are increasingly turning to flexible mechanisms, cross-sector strategies and CO<sub>2</sub> price differentiation, the EU is pursuing a highly regulated, nationally dominated reduction path. This not only jeopardises the relative competitiveness of European industry, but also hinders the scaling up of international climate investments "made in Europe".

A particularly striking example is the EU's categorical refusal to count reduction achievements in developing and emerging countries towards its climate target, even if these are cleanly accounted for under Article 6 and are additional and permanent. In doing so, Brussels is blocking potentially cost-effective and credible reductions simply to avoid calling into question the primacy of domestic avoidance.

### 3. Missed opportunities in developing and emerging countries

The decision to make only very limited use of international cooperation mechanisms not only has domestic economic costs – it also weakens the EU's climate policy credibility in the Global South. Many developing and emerging countries are willing to expand their climate contributions through internationally financed projects. But instead of investing specifically in such partnerships – for example through Article 6 cooperation – the EU remains focused on itself.

This has three negative consequences:

- Global mitigation potential remains untapped, even though it would be cost-effective and technologically attractive.
- Confidence in fair burden-sharing is waning – especially among countries that are dependent on support.
- The EU is relinquishing geopolitical power, while other countries (e.g. China and the United Arab Emirates) have long been expanding their own cooperation offers.

There is also a social dimension: by only allowing emissions reductions within its own borders, the EU is deliberately denying poorer countries access to potential revenues from climate protection.

Many African, Southeast Asian and Latin American countries in particular could use Article 6 financing not only to reduce emissions, but also to achieve SDGs such as poverty reduction, access to clean energy and economic development. The EU thus risks perpetuating global inequality through regulatory isolation, rather than actively reducing it in the interests of a just climate policy.

Instead of positioning itself as the strategic architect of a new, robust international carbon market, the EU is limiting itself to a risk-averse administrative role that provides little impetus for transformation.

### 4. Conclusion: without international leverage, the EU will lose effectiveness

The EU's climate targets are ambitious, but their strategic architecture is too focused on internal control and not enough on global integration. At a time when climate protection needs to be scaled up, coordinated and financed internationally, the EU lacks a credible concept for efficient international cooperation.

What is needed:

- A proactive strategy for using Article 6, including pilot projects and quality standards under EU leadership.
- the integration of selected international certificates into target achievement and market control,

- and a new climate foreign policy that sees international partnerships as drivers of growth and innovation, not as a regulatory risk.

And above all: a systematic contribution by the EU to global climate justice through strategically embedded investments in emissions reductions and development opportunities in the Global South.

Only in this way can Europe fulfil its dual responsibility – for the climate and for a more equitable world order.

Without this openness, the EU risks not only driving the costs of its transformation to unbearable and unnecessary heights, but also minimising its global effectiveness – with consequences for its credibility, acceptance and economic resilience.

## **5 The German government's climate policy – overly ambitious nationally, timid internationally**

The German government has confirmed its goal of climate neutrality by 2045 and is primarily focusing on national emissions reductions. Article 6 cooperation is to be considered only to a very limited extent.

This approach is economically backward-looking and counterproductive in terms of climate policy.

### **1. The national reduction path is becoming a cost trap**

The political commitment to almost exclusively domestic reduction – even with technologically questionable and/or extremely expensive avoidance measures – is leading to massive increases in CO<sub>2</sub> avoidance costs for industry, small and medium-sized enterprises and households. €Studies show that for the last 10–20% of emissions, the avoidance costs in Germany are often several hundred euros per tonne of CO<sub>2</sub>, and in some cases (e.g. in the building sector) more than 1,000 euros per tonne of CO<sub>2</sub>, while the same reductions could be achieved through international cooperation for less than a tenth of these costs.

Instead of seizing this economic opportunity, Germany is risking not only the loss of industrial competitiveness with its dogmatic focus on domestic action, but also a massive acceleration of deindustrialisation with all the consequences for jobs and prosperity.

- not only losing its industrial competitiveness, but also massively accelerating deindustrialisation with all the consequences this has for jobs and prosperity
- and increasing social and political division on the issue of climate protection.

Especially in times of tight public budgets and high interest rates, refusing to take advantage of international efficiency gains is not an expression of climate policy responsibility, but a renunciation of economic realism.

## **2. International cooperation is declared a disruptive factor rather than a solution**

The German government formally recognises Article 6 of the Paris Agreement – but largely ignores its strategic potential. Instead of acting as a pioneer for robust, transparent and development-promoting climate partnerships, Germany is currently content with a defensive, hesitant reference to "possible use from 2036".

In doing so, the Federal Republic is squandering

- its influence on international market standards,
- its credibility as a multilateral climate partner,
- and the economic advantages of a global climate protection system based on the division of labour.

What is missing is a proactive strategy for international cooperation – with pilot projects, crediting mechanisms, financing pathways and an industrial policy perspective on Article 6 certificates as a genuine investment opportunity.

## **3. Sector targets – expensive, inefficient, structurally conservative**

The widespread adherence to sectoral reduction targets – currently in the form of annual targets and triggers for "adjustments" – is increasingly proving to be an economically nonsensical control method. It forces emissions reductions where they are technically most difficult and economically most expensive, such as in agriculture or decentralised heating systems. At the same time, it blocks strategic bundling effects, such as cross-sector approaches, cross-border electricity markets with two pillars, or targeted investments in international transformation processes.

An intelligent climate policy must follow principles of efficiency: reductions should be made where they are most cost-effective, regardless of sector, location or political preferences. This is the only way to reduce costs, ensure social acceptance and achieve climate protection goals in the long term without massive losses in prosperity.

Above all, however, a forward-looking climate policy must recognise that Germany cannot succeed in isolation. The global SDGs call for integration instead of isolation, cooperation instead of self-restraint. If Germany wants to be an international partner for development, energy and climate, it must also be a fair buyer of credible emission reductions – not just a voice calling for personal responsibility.

#### **4. Conclusion: Germany is heading for a national dead end in climate policy**

The German government's targets sound ambitious – but they will lead to structural overload. The country faces the threat of an almost irreparable decline: economically, politically and socially. Anyone who wants to buy climate neutrality at the highest possible price must ask themselves who will ultimately benefit – and whether they are not undermining the social basis for ambitious climate protection themselves.

What is needed:

- an international climate strategy plan that proactively uses Article 6,
- a stronger emphasis on cross-sectoral efficiency steering,
- a clear commitment to integration into global carbon markets – not as "offsetting", but as a strategic instrument of climate protection,
- and honest acknowledgement of the limits of national implementation capacities (financial resources, but also labour (craftsmen, skilled workers) and the availability of critical raw materials (e.g. for batteries, wind turbines, grid expansion)).

This must be complemented by an international partnership strategy that provides developing and emerging countries with targeted access to European demand, financing and technology – for example through strategic Article 6 agreements, bilateral climate initiatives or multilateral funds. Only with this globally integrated climate policy can Germany live up to its claim to be a leader, show solidarity and credibility – for the climate and for a fairer world order.

Only with this openness regarding the paths to be taken can climate policy be made effective, affordable and politically viable.

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