

Press release

Council of Experts on Climate Change confirms that transport sector misses mitigation target again, not clear for buildings

Berlin, April 15, 2024 – Today the Council of Experts on Climate Change published its Review Report of the German Greenhouse Gas Emissions for the Year 2023. In the report, which is provided annually in accordance with the Federal Climate Change Act, the Expert Council reviews the Federal Environment Agency's calculation of the previous year's greenhouse gas emissions and looks at developments in selected sectors. In addition, the Expert Council updates its assessment of the Climate Action Programme 2023 and last year's Immediate Action Programmes for the buildings and transport sectors. It considers political decisions that have been made in the meantime, including the budget ruling by the Federal Constitutional Court.

Transport falls well short, exceedance in the buildings sector not clear after review

The Expert Council was generally able to retrace the calculation of the previous year's emissions. In sum, the review showed that the Federal Environment Agency should not have, but could have, arrived at different results when calculating the emissions. The Expert Council once again points out the considerable uncertainty of the sectoral emissions data, which arises due to the early calculation date, particularly in the buildings sector.

Despite the uncertainties, the Expert Council confirms the significant reduction in emissions in 2023 compared to the previous year by around 10 % from 750 to 674 Mt CO₂-eq. This is the highest percentage reduction within one year since 1990. The implicit target for total emissions was therefore achieved. The energy sector (-20 %), industry (-8 %) and buildings (-8 %) in particular recorded high reductions in emissions. By contrast, the transport sector (-1%) fell well short of its target by 12.8 Mt CO₂-eq. "The transport sector's repeated failure to meet the annual target is clear from our review," says Hans-Martin Henning, Chairman of the Expert Council. "In the buildings sector, on the other hand, we can neither confirm nor refute the narrow exceedance of the annual target in light of the great uncertainty of the calculated data. However, according to the wording of the law, there is a need for an immediate programme for both sectors."

Decline in production in the energy-intensive industry most important factor for emission reductions

At around 52 Mt CO_2 eq., the energy industry made the largest contribution to the reduction in emissions from 2022 to 2023. This was primarily due to a sharp drop in coal-fired power generation. An important reason for this was the weaker demand for electricity from energy-intensive industry. As in the previous year, the emissions reduction in industry by 13 Mt CO_2 -eq. is primarily due to the sharp decline in production in the energy-intensive industry. This and the generally weak economic performance also contributed to the decline in emissions from road freight transport, while emissions from car traffic increased. The biggest influence on the mitigation in the buildings sector by 8 Mt CO_2 -eq. is likely to have been the gas savings due to changes in heating behavior, as already observed in the previous year. Changes in the heating structure and the persistently mild weather also contributed to the reduction.

Henning comments on the substantial reduction in total emissions: "Without the decline in energy-intensive industry and the mild weather again in 2023, emissions would have been significantly higher. and the implicit total annual target for all sectors would probably not have been met. However, the decline in heating demand may tend to stabilize due to rising temperatures."



Climate Action Programme, Immediate Action Programmes 2023: Less funding, weakened implementation

Since the Climate Action Programme was adopted in summer 2023, political changes have affected the implementation of the programme. These include, above all, the cuts to the Climate and Transformation Fund (KTF) following the Federal Constitutional Court's budget ruling. These translate into programme cuts in 2024 and a reduction in the reserve as a funding basis for the coming years. "The KTF judgement results in funding cuts this year and narrows the options for the following years. As almost half of the measures in the Climate Action Programme are of a fiscal nature, this diminishes the likelihood that the assumed reduction effect will actually be achieved," says Deputy Chairwoman Brigitte Knopf, assessing the developments.

In addition to the effects of the financial cuts in the KTF on the Climate Action Programme as a whole, the Expert Council identifies further implementation deficits in the Immediate Action Programmes for buildings and transport contained therein. In the buildings sector, the less ambitious implementation of the Climate Action Programme reinforces doubts as to whether the targeted reduction effect can be achieved. Some measures in the transport sector are also expected to have a weaker impact, and an increase in car traffic can still be observed. In this regard, Knopf states: "The reassessment has once again confirmed what we already said last summer: The measures adopted in the Climate Protection Programme for buildings and transport are not sufficient to achieve the sectoral targets. In the transport sector in particular, there remains a considerable gap in terms of fulfilment by 2030."

Read the Review Report and accompanying Technical Document here: <u>https://expertenrat-klima.de/publikationen/</u>

Further information

The Council of Experts on Climate Change (ERK) is an independent panel of five experts from different disciplines. It is mandated by Sections 11 and 12 of the Federal Climate Change Act (KSG). The panel includes the five members Prof. Dr. Hans-Martin Henning (Chairman), Dr. Brigitte Knopf (Deputy Chair), Prof. Dr. Marc Oliver Bettzüge, Prof. Dr. Thomas Heimer, and Dr. Barbara Schlomann. In addition to other legally defined tasks, the Council of Experts on Climate Change reviews the emissions data of the Federal Environment Agency in accordance with Section 12 (1) KSG and submits an assessment of the published data to the Federal Government and the German Bundestag within one month.

For more information about the Expert Council on Climate Change and their publications, please visit <u>https://www.expertenrat-klima.de/en/</u>. Follow us on Twitter/X <u>www.twitter.com/ERK_Klima</u> and on Bluesky: <u>www.bsky.app/profile/expertenratklima.bsky.social</u>

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