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The Postmortem of the Nord Stream Projects.

Was it all about energy transition?

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Preface

The Nord Stream 2 pipeline project has been the subject of extensive public debate for years. This project brings together many facets that have shaped international politics in the 21st century and will continue to do so: energy policy constraints, geostrategic decisions, economic challenges, political misjudgments, and social expectations all converge to form an amalgam. The political debate is far from over, and social sciences expertise is needed. This paper makes an important contribution to this debate. It is based on a research project conducted by Farid Karimi at the Academy of International Affairs and draws on, among other things, an intensive workshop he held at the academy. However, the paper does not stop at an analysis of miscalculations, but also offers recommendations for a more far-sighted and strategically sound European energy policy in the future.

Das Pipeline-Projekt Nord Stream 2 ist seit Jahren Gegenstand einer intensiven öffentlichen Debatte. Dieses Projekt vereint viele Facetten, die die internationale Politik des 21. Jahrhunderts geprägt haben und auch weiterhin prägen werden: energiepolitische Zwänge, geostrategische Entscheidungen, wirtschaftliche Herausforderungen, politische Fehleinschätzungen und gesellschaftliche Erwartungen verschmelzen zu einem Amalgam. Die politische Debatte ist noch lange nicht abgeschlossen, und es bedarf der Expertise der Sozialwissenschaften. Dieser AIA Discussion Paper leistet einen wichtigen Beitrag zu dieser Debatte. Es basiert auf einem Forschungsprojekt von Farid Karimi an der Academy of International Affairs NRW und stützt sich unter anderem auf einen Workshop, den er an der Akademie durchgeführt hat. Das Paper beschränkt sich jedoch nicht auf eine Analyse von Fehleinschätzungen, sondern bietet auch Empfehlungen für eine weitsichtigere und strategisch fundierte europäische Energiepolitik in der Zukunft.

Manuel Becker
Head of Scientific Programme

Abstract: *This paper presents a postmortem analysis of the Nord Stream 2 (NS2) pipeline project, examining its political, economic, and security implications within the Baltic Sea Region (BSR) and the broader European Union (EU). Initially framed as an essential part of Germany's energy transition, NS2 evolved into a symbol of geopolitical miscalculation and intra-EU discord. The project's development overlooked critical security concerns, deepened dependence on Russian energy, and sidelined Eastern European perspectives vis-à-vis security issues. Germany's belief in economic interdependence as a path to peace proved flawed in this particular case, as Russia weaponised energy infrastructure. The paper critically examines Germany's strategic narrative, the erosion of EU cohesion, and the governance gaps exposed by NS2. It concludes with policy recommendations for a resilient, normatively grounded EU energy strategy, emphasising strategic foresight, regional solidarity, and democratic accountability in future energy infrastructure planning.*

Abstract: *Dieses Paper stellt eine Ex-post-Analyse des Pipeline-Projekts Nord Stream 2 (NS2) dar und untersucht dessen politische, wirtschaftliche und sicherheitspolitische Auswirkungen innerhalb der Ostseeregion (BSR) und in der gesamten Europäischen Union (EU). Ursprünglich als wesentlicher Bestandteil der deutschen Energiewende konzipiert, entwickelte sich NS2 zu einem Symbol für geopolitische Fehleinschätzungen und Uneinigkeit innerhalb der EU. Bei der Entwicklung des Projekts wurden wichtige Sicherheitsbedenken übersehen, die Abhängigkeit von russischer Energie vertieft und die osteuropäischen Perspektiven in Bezug auf Sicherheitsfragen außer Acht gelassen. Deutschlands Überzeugung, dass wirtschaftliche Interdependenz ein Weg zum Frieden sei, erwies sich in diesem speziellen Fall als falsch, da Russland die Energieinfrastruktur als Waffe einsetzte. Der Beitrag untersucht kritisch die strategischen Narrative Deutschlands, die Erosion des Zusammenhalts der EU und die durch NS2 offenbarten Lücken in der Governance. Er schließt mit politischen Empfehlungen für eine resiliente, normativ fundierte EU-Energiestrategie, die strategische Weitsicht, regionale Solidarität und demokratische Rechenschaftspflicht bei der künftigen Planung der Energieinfrastruktur betont.*

1. Introduction

This paper presents a postmortem analysis of the Nord Stream pipeline projects, with a particular focus on Nord Stream 2 (NS2), examining their political, economic, and security implications in the context of energy transition and energy security debates in the Baltic Sea Region (BSR) and the broader European Union (EU). Initially framed by its German proponents as essential for achieving the country's energy transition ("Energiewende"), NS2 came to embody a complex entanglement of economic ambitions, geopolitical miscalculations, and intra-EU dissonance. Its development and demise highlight the significance of strategic coherence and regional solidarity in EU energy policymaking.

The rationale presented by Germany and its industrial lobbies centred on a stable and affordable gas supply during the transition away from coal and nuclear energy. However, this techno-economic framing disregarded deeper political realities: the bypassing of Ukraine as a transit country, the deepening dependence on Russian energy, and the sidelining of Eastern European security concerns. These oversights contributed not only to intra-EU friction, not least in the BSR, but also to the emboldening of a revisionist Russia.

Before the Russian invasion of Ukraine, Germany's energy policy was shaped by a belief in economic interdependence as a contributor to peace, a doctrine embedded in "eastern policy" ("Ostpolitik") and later in the concept of "change through trade" ("Wandel durch Handel"). Nevertheless, despite increasing warnings from allies and intelligence agencies (e.g., Riley 2021), Germany underestimated the extent to which Russia could and would weaponise energy and energy infrastructure. The annexation of Crimea in 2014 should have triggered a decisive re-evaluation. Instead, Germany pushed forward with NS2, reinforcing the perception of Berlin's naivety—or complacency—about Moscow's intentions.

This paper examines the strategic miscalculations underlying Germany's commitment to NS2 and discusses the implications for regional energy governance and European security. The collapse of Nord Stream as a viable project marks more than a failed infrastructure venture; it signifies the end of an era defined by commercial realism and the beginning of a new phase of energy politics grounded in strategic foresight and geopolitical hard realities.

2. Objectives

The purpose of this paper is to unpack the core lessons of the NS2 project through a critical analysis of Germany's energy policy trajectory, decision-making processes, and security miscalculations. It explores how geopolitical and normative concerns were sidelined in favour of short-term economic gains, and how this dynamic compromised both national and EU-wide energy security.

The analysis focuses on three core objectives: 1. to critically examine Germany's strategic narrative regarding Nord Stream 2 and the disconnect between its commercial rhetoric and geopolitical realities; 2. to analyse how the NS2 controversy disrupted intra-EU cohesion, weakened trust among member states, and exacerbated dependency on authoritarian

suppliers; 3. to propose actionable policy recommendations for the development of a robust, secure, and normatively coherent EU energy strategy in a post-Nord Stream Europe.

3. Background: Mecklenburg-Vorpommern and the embedded interests

The state of Mecklenburg-Vorpommern (MV), and in particular the port of Mukran and the city of Greifswald, became deeply embedded in the material and symbolic infrastructure of the Nord Stream projects. As the landing site of the pipeline, Greifswald emerged as a logistical and economic hub, attracting investments and jobs linked to the project. Local businesses, municipal actors, and regional political leaders supported NS2 not only as a source of revenue but also as a point of regional pride, in addition to other events and infrastructure located in Greifswald, such as the world's first decommissioned nuclear power plant and a cutting-edge experimental stellarator fusion reactor that is used to evaluate components of future fusion power plants. For a structurally weaker eastern German state, the NS2 project promised international relevance and integration into Germany's broader economic strategy.

This regional enthusiasm, however, became politically problematic when U.S. sanctions were imposed against companies and institutions involved in NS2 (Pifer 2021). The bipartisan pressure from U.S. policymakers—including a controversial letter in August 2020 threatening economic retaliation against the port of Mukran (Solomon and Manson 2020)—triggered a strong defensive response from local officials and German federal lawmakers (Iden 2021). The reaction illustrated how deeply NS2 had penetrated Germany's political economy, not merely at the national level but also in local governance and subnational development policy. Moreover, MV became the base of the "Climate and Environmental Protection Foundation," an entity established by the state government with funding from Nord Stream AG (a Gazprom-led consortium) (Iden 2021). Ostensibly created to support environmental initiatives, the foundation was widely criticised for serving to circumvent U.S. sanctions and support the completion of the pipeline under the guise of ecological development (Escritt and Marsh 2022; bne IntelliNews 2021). Interestingly, in December 2020, in the aftermath of the U.S. sanctions on the NS2 project, Russia planned to utilise the Oceanic 5000, a crane ship owned by Iran and involved in Iran's oil and gas projects, to complete Nord Stream 2 (Kredo 2020; Shalal 2020). The Kremlin appears to have adopted a similar strategy to Iran's regime in circumventing the sanctions. In return, Russia has seemingly agreed to supply Iran with an advanced satellite system, Kanopus-V, possibly granting Tehran an unparalleled capability to track potential military targets across the Middle East and beyond (e.g., Warrick 2021).

These manoeuvres, both by MV and Russia, symbolised the cynical instrumentalisation of sustainability discourse to legitimise geopolitical dependence, drawing criticism from across the EU. The case of MV thus reveals the depth of institutional entanglement in the NS2 project, showing how localised interests aligned with national narratives and undermined strategic autonomy. It also serves as a cautionary tale about how federal policy can unintentionally enable local capture and the institutional normalisation of authoritarian partnerships under the banner of economic revitalisation and green transition.

4. Discussions: Germany's strategic miscalculation and the cost of commercial exceptionalism

Germany's unwavering support for NS2 was driven by a mix of industrial lobbying, institutional path dependency, and a persistent belief in the separation between economics and geopolitics. This strategic misjudgement—often framed as pragmatism—ignored considerable evidence that the Kremlin was prepared to use energy as a coercive tool. Intelligence assessments, including from Germany's own Bundesnachrichtendienst (BND), had warned of Russian intentions in Ukraine years before the 2022 invasion (Michaels 2024), yet these were politically discounted in favour of maintaining the economic status quo.

When Nord Stream 2 was planned in the mid-2010s, Europe, particularly Germany, already had viable alternatives to meet its gas demand and support the energy transition. Although some of these options may have been more costly, the political cost and security risks were significantly lower. Existing infrastructure, including the Yamal-Europe route via Poland and Ukraine's extensive pipeline network, had significant unused capacity to transport Russian gas. The Southern Gas Corridor offered diversification potential from the Caspian region, although its capacity was lower, and concerns have been raised over political tensions in that region. Additionally, Europe's underutilised LNG terminals—combined with the possibility of building new capacity in Germany—could have provided flexibility through global LNG markets. Nord Stream itself was not fully utilised (Nord Stream AG, 2018), while accelerated investment in renewables, energy efficiency measures, and maintaining nuclear generation for longer could have reduced import needs altogether. Norway and North Africa also represented alternative suppliers. Some of these alternatives have eventually been utilised in the aftermath of the Russian invasion of Ukraine.

The German energy industry, especially major utilities and infrastructure firms, exerted significant influence on policy decisions. Former Chancellor Gerhard Schröder's role as a key lobbyist for Gazprom and NS2 symbolised the revolving door between politics and the fossil fuel industry. His deep involvement, combined with a broader institutional tolerance for Russian lobbying, eroded public trust and exposed the vulnerability of democratic systems to foreign influence.

This structural alignment of German industrial policy with Russian strategic interests created a situation in which dissenting voices—particularly from the German Green Party and Eastern Europe—were dismissed or minimised. Poland, the Baltic States, and even some Nordic countries raised repeated concerns about NS2's impact on regional security and EU solidarity. Rather than engaging in meaningful dialogue, Germany pursued a policy of quiet isolation, miscalculating both the resilience of Eastern partners and the geopolitical costs of alienation.

Moreover, the German government's insistence on framing NS2 as a private commercial venture allowed it to evade responsibility for its broader implications. This legalistic posture also constrained the European Commission's ability to intervene decisively. As a

result, the project exposed a governance gap in EU energy policy: when national interests override collective security, the Union's normative power weakens.

German media, civil society, and academic researchers were not uniformly supportive of NS2. In fact, some experts and analysts issued warnings and critique. These perspectives were, however, often sidelined or lacked institutional amplification. The dominance of energy giants and entrenched policy networks meant that dissenting voices were rarely integrated into decision-making. This points to a broader democratic deficit in how strategic energy projects are debated and legitimised within German policymaking structures.

5. Post-invasion recalibration and persistent gaps

The Russian invasion of Ukraine in February 2022 forced a dramatic recalibration of Germany's energy policy. NS2 was suspended and eventually declared obsolete, while efforts to diversify gas supplies through LNG terminals were accelerated. However, the policy response, while swift, remains fragmented. Political debates continue over the role of fossil fuels, the phase-out of nuclear energy, and the viability of 100% renewable scenarios.

The author's interviews with German stakeholders and workshop discussions organised at AIA-NRW in Bonn reveal a remaining ambivalence. While there is a broad consensus that dependence on Russian gas was a strategic mistake and short-sighted, views diverge on how to rebuild energy resilience. Some argue for rapid decarbonisation through domestic renewables; others call for pragmatic diversification, including imports from countries such as Qatar, Algeria, and Azerbaijan. These alternatives, however, raise a new dilemma: how can energy security be secured without replicating dependency on authoritarian suppliers?

Moreover, while strategic narratives have shifted, the institutional legacies of past policy remain. German political elites, especially within established parties, continue to be influenced by industrial actors and legalistic framing. The risk is that, in the absence of deep structural reform, future projects may again prioritise commercial gains over geopolitical caution.

Germany's challenge is now to reinvent its role in European energy leadership—away from the perception of being Russia's enabler and toward becoming a frontrunner of transparent, democratic, and resilient energy governance. This transition must be embedded in both domestic institutional change and a recalibrated approach to EU-wide energy coordination.

6. Conclusion

Germany's relationship with its neighbouring countries, particularly Poland and the Baltic States, poses significant implications for the geopolitical dynamics of the EU, especially

concerning energy policies such as the Nord Stream projects. These countries had raised valid concerns and provided constructive advice regarding the Nord Stream projects, emphasising the need for Germany to engage in more transparent and collaborative decision-making processes. Unfortunately, Germany's failure to heed these voices has strained its relationships with these key allies and contributed to broader security challenges within the EU. A more inclusive approach involving meaningful dialogue and cooperation with Poland and the Baltic States could have mitigated potential security risks and fostered a stronger sense of solidarity and unity within the EU. By neglecting to prioritise effective communication and collaboration with its neighbours and focusing only on economic and business benefits, Germany missed an opportunity to shape a more secure and stable energy landscape in Europe, highlighting the critical importance of inter-country cooperation in navigating complex geopolitical issues such as energy security. One aspect that has seldom been discussed is that the impact of the NS2 project extended beyond Germany and the EU, apparently also having had an impact on the Middle East, with Iran seemingly involved in helping Russia to circumvent the sanctions on NS2 in order to complete the project. This demonstrates why energy security strategy planning and analysis is not a simple linear formula, but rather exponential and ought to consider many invisible factors.

In sum, the NS2 project represents a cautionary tale of how the failure to integrate strategic foresight into energy policy can compromise national and regional security. Germany’s prioritisation of economic interests over geopolitical realities fragmented the EU’s energy architecture and undermined trust among member states. The NS2 experience highlights the need to reconceptualise energy infrastructure not merely as a commercial enterprise but as a pillar of political sovereignty and democratic integrity.

Moving forward, Europe, and Germany in particular, must embed resilience, normative alignment, and strategic coherence at the core of its energy transition. This requires more than technical fixes; it demands a cultural shift in how energy is governed with a greater geopolitical understanding.

7. Policy recommendations

- **Elevate energy security as a strategic priority:** Energy security should be treated as a core strategic concern in national decision-making. Major energy infrastructure projects must be assessed not only for their environmental and economic impacts but also for their long-term implications for and impact on national and regional security, including beyond Europe. This requires a coordinated approach involving multiple government sectors, expert advisory bodies, and transparent evaluation processes to ensure that energy investments align with long-term security and resilience goals.
- **Transparent communication with the public**: In light of the above recommendation, the outcome of the vetting process should be communicated to the public in a transparent manner, insofar as that does not seriously jeopardise national security.

- **Design a national resilience strategy for energy infrastructure**: Develop a comprehensive roadmap to secure critical energy infrastructures, not least those in the Baltic Sea, encompassing physical, digital, and supply-chain based aspects. This includes cyber protection protocols, risk simulations, and cooperative defence mechanisms with EU and NATO partners.
- **Audit and reform the governance of energy foundations and public-private entities:** Conduct a full audit of public-private partnerships, think-tanks and foundations—such as MV's Climate Foundation—used to support strategic energy projects. Introduce new governance standards to prevent misuse of environmental rhetoric.
- **Rebuild intra-EU trust through bilateral energy partnerships:** Develop bilateral cooperation platforms with Eastern and Central European states focused on joint infrastructure, co-financing mechanisms, and inclusive governance. This would help to overcome the trust deficit caused by NS2 and reposition Germany as a reliable EU partner.
- **Urgently address structural vulnerabilities in Germany's energy policymaking:** To prevent the undue influence of energy lobbies in strategic decision-making, Germany and the EU must adopt a binding transparency and accountability framework that closes the loopholes exposed by cases like Nord Stream 2. This framework should include a mandatory public register disclosing all lobbying activities, funding sources, and policymaker interactions; a minimum four-year cooling-off period for former politicians and senior officials before joining energy companies or foreign state-linked enterprises; and the establishment of an independent oversight body empowered to monitor compliance, conduct conflict-of-interest audits, and impose sanctions. Additionally, lobbying impact assessments should be required for all major infrastructure projects, with results made publicly available, while EU-level coordination must harmonise these measures and blacklist actors engaged in covert influence.

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