

# Climate Audit of the European Union's Foreign Policy

Assessing the alignment of the European external action with the objectives of the Paris Agreement

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## Disclaimer

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# Abbreviations

<b>AEGEI</b>	Africa - EU Green Energy Initiative	<b>IEA</b>	International Energy Agency
<b>AFET</b>	Committee on Foreign Affairs	<b>IFI</b>	International Financial Institution
<b>CAN</b>	Climate Ambassador Network	<b>IMF</b>	International Monetary Fund
<b>CBAM</b>	Carbon Border Adjustment Mechanism	<b>IMO</b>	International Maritime Organisation
<b>CD</b>	Climate Diplomacy	<b>INTA</b>	Committee on International Trade
<b>CFSP</b>	Common Foreign and Security Policy	<b>IPG</b>	International Partner Group
<b>CO<sub>2</sub></b>	Carbon Dioxide	<b>IRA</b>	Inflation Reduction Act
<b>COP</b>	Conference of the Parties	<b>JETP</b>	Just Energy Transition Partnership
<b>CSO</b>	Civil Society Organisation	<b>L&amp;D</b>	Loss and Damage
<b>CTE</b>	Committee on Trade and Environment	<b>LDC</b>	Least Developed Countries
<b>DG</b>	Directorate General	<b>LNG</b>	Liquefied Natural Gas
<b>DG CLIMA</b>	Directorate-General for Climate Action	<b>LTS</b>	Long-term Strategy
<b>DG ENER</b>	Directorate-General for Energy	<b>LULUCF</b>	Land use, land-use change, and forestry
<b>DG ENV</b>	Directorate-General for Environment	<b>MDB</b>	Multilateral Development Bank
<b>DG INTPA</b>	Directorate-General for International Partnerships	<b>MEP</b>	Member of the European Parliament
<b>DG NEAR</b>	Directorate-General for Neighbourhood and Enlargement Negotiations	<b>MFF</b>	Multiannual Financial Framework
<b>DG TRADE</b>	Directorate-General for Trade	<b>MIP</b>	Multiannual Indicative Plan
<b>DNSH</b>	Do No Significant Harm	<b>NCQG</b>	New Collective Quantified Goal (on climate finance)
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>NDC</b>	Nationally Determined Contribution
<b>ECOFIN</b>	Economics and Financial Affairs Council	<b>NDICI</b>	Neighbourhood, Development and International Cooperation Instrument
<b>EEAS</b>	European External Action Service	<b>NGEU</b>	NextGeneration EU
<b>EFSD+</b>	European Fund for Sustainable Development	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>EGD</b>	European Green Deal	<b>RELEX</b>	EU External Action
<b>EIB</b>	European Investment Bank	<b>SIDS</b>	Small Island Development State
<b>EIP</b>	External Investment Plan	<b>TEI</b>	Team Europe Initiative
<b>ENV</b>	Environment Council	<b>TESSD</b>	Trade and Environmental Sustainability Structured Discussions
<b>ENVI</b>	Committee on the Environment, Public Health and Food Safety	<b>TSD</b>	Trade and Sustainable Development
<b>ESDP</b>	European Security and Defence Policy	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>ETS</b>	Emissions Trading System	<b>V20</b>	Vulnerable Twenty Group
<b>EU</b>	European Union	<b>VP</b>	Vice-President
<b>EUBCC</b>	European Scientific Advisory Board on Climate Change	<b>WPIEI</b>	Working Party on International Environment Issues
<b>EUI</b>	European Union Institution	<b>WTO</b>	World Trade Organisation
<b>EVP</b>	Executive Vice-President		
<b>EXCO</b>	Group for External Coordination		
<b>FAC</b>	Foreign Affairs Council		
<b>FTA</b>	Free Trade Agreement		
<b>G7</b>	Group of Seven		
<b>G20</b>	Group of Twenty		
<b>G77</b>	Group of Seventy-Seven		
<b>GERF</b>	Global Europe Results Framework		
<b>GEPMS</b>	Global Europe Performance Monitoring System		
<b>GDN</b>	Green Diplomacy Network		
<b>GDP</b>	Gross Domestic Product		
<b>GHG</b>	Greenhouse gas		
<b>HP</b>	High Representative of the Union for Foreign Affairs and Security Policy		
<b>ICE</b>	Internal Combustion Engines		

# Executive Summary

Addressing the complex and multidimensional challenge of climate change requires a collective and coordinated effort from all actors at all levels. Governments, in particular, play a crucial role in setting the rules of the game and providing the necessary leadership and resources to enable a sustainable and just transition to a low-carbon economy.

The European Union and its Member States maintain influence and weight in global climate politics because they collectively represent the world's third largest economy and the largest single market and thus play an important role in shaping global norms and standards. The EU has committed to reducing its greenhouse gas (GHG) emissions and transitioning to a climate-neutral economy by 2050. The EU's domestic efforts alone will not be sufficient to tackle the magnitude of the climate challenge. Therefore, in light of its historical responsibility, economic capacity, and technological know-how, it must lead the way on climate action internationally. It is imperative for the EU to engage in climate diplomacy and to work collaboratively with other partners, both foreign governments, companies, financial institutions, and civil society to advance towards meeting the Paris Agreement's goal of limiting global temperature rise to well below 2-degrees and pursuing efforts to limit it to 1.5-degrees.

Four key elements are important for ambitious climate diplomacy:

- A clear overall **common vision** aligned with the Paris Agreement to provide the broad brushstrokes of a government's agenda and guide policymaking;
- **Strong governance** with clear institutional mandates, and coordination structures;
- **Impactful international engagement** with international partners and multilateral processes; and
- Ambitious efforts domestically in order to **lead by example**.

Taking these elements into account, the EU sets a high standard in some respects, but still needs to translate announcements into widespread action. There is potential for improvement to better integrate climate into foreign policy and strengthen the coordination and coherence of climate diplomacy (see → ES Table 1).

The EU is undoubtedly **setting high standards** with the European Green Deal which recognises that global climate action is insufficient and sets out the

ambition to ensure the Paris Agreement remains an indispensable multilateral framework for tackling climate action to which the EU together with the global community must adhere.

One of the areas where the **EU has already made good progress, but where there is still room for improvement**, is the formulation of a foreign climate policy vision. Various EU institutions have been active on climate diplomacy for some time but outline parallel visions which mostly have a short to mid-term horizon. While guidance indicates converging priorities, the EU does not have a comprehensive long-term and high-level vision for EU climate diplomacy endorsed by all EU institutions. By means of the Council Conclusions on Climate Diplomacy, the EU regularly defines its near-term position and priorities on climate change in its external relations, although measures could be formulated even more specifically and bindingly. In terms of international engagement, the EU plays an important role in supporting international climate initiatives and is a key player in several partnerships to enable just transitions and promote climate resilience. In doing so, it remains essential for the EU to ensure funding supports equitable and sustainable transitions and does not develop infrastructure that locks-in emissions.

Among the areas where the EU has made some progress but where there is still significant room for improvement is the clear allocation of roles and responsibilities in climate diplomacy. The report further concludes that the effectiveness of EU climate diplomacy is held back by a lack of resources and climate-related capacities in EU institutions. According to HP/VP Borrell's mandate and given the institutions he oversees (**→ see ES Figure 1**), he should play a more active role in integrating climate into geopolitics, complementing EVP Timmermans' role under in the UNFCCC context. The Council's annual conclusions call on the HP/VP to strengthen the EU's climate and energy diplomacy, but climate is not recognisably high on his agenda. Other EU institutions that play an important role in foreign policy, such as the EEAS or DG TRADE, also do not as of yet sufficiently prioritise climate in their agendas. The latter is evidenced by a lack of expertise and capacities for climate-related issues. This also means that the integration of climate into all foreign policy channels, as envisaged by the Green Deal, is still limited, and varies greatly between areas with more progress, such as development cooperation, and areas with significantly less progress, such as international trade.

In addition to integrating climate into all foreign policy areas climate mainstreaming, the provision of international climate finance is an important area to be seen as a credible leader in the field of climate action. Although the contributions of the EU and its Member States to international climate finance point in the right direction, contributions to date and pledged future finance fall short of what is considered their fair share. In addition, the EU calls for



ES Figure 1

Roles and responsibilities in EU climate diplomacy



sustainable global financial flows, but does not always fulfil its commitments, such as the phase out of inefficient fossil-fuel subsidies.

The EU has **made inadequate progress** in providing EU institutions with sufficient resources to implement their mandate. This is particularly true for the EEAS, which according to its mandate should be at the centre of European climate diplomacy, but which is not sufficiently resourced to fully deliver on this.

→ **ES Table 1** provides an overview of the assessment carried out in the framework of this report, structured according to the four key elements of the blueprint on an ambitious foreign climate policy.

ES Table 1

Summary analysis

Very advanced 
 Advanced 
 Needs improvement 
 Poor

Characteristic	Trend analysis
	<p>• <b>Common vision</b></p>
<p>Formulated and signed off at highest political level</p>	
<p>Reflects magnitude of the challenge in both ambition and scale</p>	
<p>Clear and unambiguous communication</p>	
	<p>• <b>Strong governance</b></p>
<p>Clear roles and responsibilities</p>	
<p>Ambitious foreign climate policy strategy</p>	
<p>Sufficient resources</p>	
<p>Independent review and feedback mechanism</p>	
<p>Multi-stakeholder dialogue</p>	
	<p>• <b>Impactful international engagement</b></p>
<p>Clear and transparent communication</p>	
<p>Mobilise public climate finance</p>	
<p>International public finance is aligned with Paris Agreement</p>	
<p>All foreign policy channels used to support global transformation</p>	
<p>Climate-related international action is coordinated and aligned</p>	
<p>Transformative and impactful international actions initiated or supported</p>	
<p>Cooperation on an equal footing and responding to needs of partners</p>	
	<p>• <b>Leading by example</b></p>
<p>Ambitious domestic climate targets</p>	
<p>Effective policies to reach targets</p>	
<p>Compliance with international climate norms</p>	
<p>Communicating domestic climate action</p>	

Based on the analysis carried out within the framework of this report, the following recommendations for action are derived to effectively anchor climate as a central issue in EU foreign policy for the long term.

→ **Solidify credibility by actually leading by example**

The EU draws strength on the world stage from its historical role as a climate leader. Recently, some international observers have however criticised it as hypocritical, notably in the wake of the energy crisis unleashed by the Russian invasion of Ukraine and what has been characterised as a European “dash for gas” provisions in the RePowerEU, which has seen large amounts of public funds poured into future stranded gas infrastructure. In order not to lose credibility as a global leader in climate action and the resulting diplomatic soft power that the EU has built up, the EU should increase its climate ambition and commit to strengthen climate norms, such as those established under the UNFCCC, while at the same time ensure to not undermine its decarbonisation goals by adopting contingency measures and diversification strategies in response to the energy crisis.

→ **Institutionalise climate in the EU's foreign policy**

Institutionalising climate mainstreaming in the EU's foreign policy means to incorporate climate change considerations into all aspects of the EU's foreign policy decision-making process, with the goal to ensure that climate change is treated as a cross-cutting issue that is fully integrated into the EU's external action. Institutionalising climate in the EU's foreign policy requires a comprehensive and coordinated approach that involves leadership, resources, and processes. It means creating institutional structures and procedures within the EU's foreign policy apparatus that ensure that climate change is a central consideration and not just an afterthought. To implement a comprehensive approach to climate diplomacy in the EU's key foreign policy bodies, it will be key to ensure high-level leadership, to climate-proof foreign policy through capacities and adequate resources and to improve coordination and alignment.

→ **Globalise the EU's Green Deal by advancing from technical to (geo) political climate diplomacy**

Adopting a more holistic and strategic approach to climate diplomacy, can be considered a precondition for successfully implementing the global dimension of the European Green Deal. Therefore, the EU should advance its climate diplomacy efforts from a primarily technical approach, focused to a large extent on UNFCCC negotiations, to a more holistic and geopolitical approach by integrating climate considerations into all relevant foreign policy channels, such as those related to finance and investment, international trade, foreign security, and industrial policy.



→ **Strengthen and expand the Team Europe approach**

Strengthening and expanding the Team Europe approach entails closer collaboration between EU institutions and Member States to ensure a more coordinated and effective foreign climate policy. This includes sharing of best practices, aligning priorities and strategies, and pooling resources to achieve common goals. It also involves engaging with international partners and civil society in a coordinated manner, to build partnerships and alliances for advancing the global climate agenda. To strengthen the Team Europe approach and thus ultimately enhance the EU's influence and leadership in shaping global climate action, it will be key to develop a common high-level and long-term foreign climate policy vision between EU institutions and Member States.

**>> 01**

**Introduction**

Climate change is perhaps the most pressing global challenges of our time. It poses significant threats to human health, food security, biodiversity, and ecosystems, and exacerbates poverty and inequality, among other things. Addressing the complex and multidimensional challenge of climate change requires a collective and coordinated effort from all actors at all levels. Governments, in particular, play a crucial role in setting the rules of the game and providing the necessary leadership and resources to enable a sustainable and just transition to a low-carbon economy.

The European Union (EU) is the world's third largest economy and an important player in the global climate change agenda. The EU has committed to reducing its greenhouse gas (GHG) emissions and transitioning to a climate-neutral economy by 2050. The EU's domestic efforts alone will not be sufficient to tackle the magnitude of the climate challenge. Therefore, in light of its historical responsibility, economic capacity, and technological know-how, it must lead the way on climate action internationally. It is imperative for the EU to engage in climate diplomacy<sup>1</sup> and to work collaboratively with other partners, both foreign governments, companies, financial institutions, and civil society to advance towards meeting the Paris Agreement's goal of limiting global temperature rise to well below 2-degrees and pursuing efforts to limit it to 1.5-degrees.

Climate diplomacy is the practice of engaging in diplomatic efforts to advance climate action and cooperation among partner countries, regions, and other stakeholders. It is an essential tool for achieving global climate goals, given the inherently transboundary nature of climate change and the need for collective action. Climate diplomacy should encompass key areas of foreign policy, such as trade, development, finance and investment, industrial policy, security, etc.

In the case of the EU, this means building on the principles of its European Green Deal and extending them beyond its borders. In recognition of this, the Council's current 18-month Program emphasises that "domestic action is the basis for efforts to encourage global implementation of Paris goals" and "that climate change will be a central feature in foreign policy and standing agenda item of all major summits" (Council of the European Union, 2021c). Putting this into practice is particularly challenging and at the same time more crucial than ever in the current global landscape where the world is facing a poly crisis, including a war in Europe, a climate crisis that is already dramatically worsening, and an inflation shock impacting food security and energy costs. These compounding risks are combined with rising Euroscepticism, nationalism, and populism. Against this backdrop, this report aims to review the EU's foreign policy to assess the extent to which the EU is integrating climate considerations into its foreign policy and diplomacy efforts.

<sup>1</sup>  
The terms climate diplomacy and foreign climate policy are used interchangeably throughout the report.



This report draws on academic and grey literature, government documents, extensive interviews and an in-person workshop bringing various civil servants and stakeholders together. It provides a blueprint of key elements that constitute a coherent, consistent, and ambitious foreign climate policy (→ **Chapter 2**), assesses the EU's climate relevant foreign policy (→ **Chapter 3**) and identifies overall strengths and weaknesses of the EU's climate diplomacy (→ **Chapter 4**). The report concludes with key recommendations for enhancing the EU's role as a global climate leader and accelerating the transition towards a sustainable and just future (→ **Chapter 5**). It focuses on the role of the EU institutions, including the European Parliament, Council, and Commission, to inform stakeholders of opportunities and challenges in climate diplomacy landscape. A detailed examination of the foreign climate policy of individual EU Member States and their potential contribution to advancing the EU's climate diplomacy is beyond the scope of this study.

This report was prepared based on information and data available up to March 2023, and therefore may not reflect any developments or changes that have occurred after that date.

## »» 02

# A blueprint for a Paris aligned foreign climate policy

Developing a coherent, consistent, and effective foreign climate policy is a multifaceted challenge involving many stakeholders. All jurisdictions have their own approach to foreign climate policy based on their specific context, strengths, and opportunities to engage in the international arena. As part of our previous “Climate Audit of Germany’s Foreign Policy”, published in 2022, we formulated four key overarching elements to inform an analysis of foreign climate policy efforts: a common vision; strong governance; impactful international engagement; and leading by example (Kahlen et al., 2022). The blueprint serves as a basis for the analysis of this report. → **Table 1** below provides an overview of the blueprint for a Paris-aligned foreign climate policy.

**Table 1**  
**Blueprint for a Paris aligned foreign climate policy**



**Common vision**

To lay the foundations for a successful foreign climate policy, the government should agree on and communicate a clear, common vision. This vision ideally reflects the intention of the government to pursue an ambitious domestic and international climate policy agenda and to align its foreign policy with the targets of the Paris Agreement. The vision serves as a guiding principle for policy making across **EU institutions and Member State ministries** during the legislative period and provides a barometer against which achievements can be gauged.

Characteristics	Vehicles/ Evidence
A common vision on foreign climate policy is <b>formulated and signed off</b> at the highest political level, demonstrating leadership and commitment.	Discussion in Commission, European Council, Council, Parliament
The vision is <b>ambitious</b> and in line with the Paris Agreement, reflecting capacity and historical responsibility.	Developed together with different parts of the society, including academia, civil society, and the private sector (“whole-of-society-approach”)
The vision is <b>clearly and unambiguously communicated</b> to provide focus and direction across the government and beyond.	Reflection in law, institutions' policy guidance, development plans, white papers, announcements, public speeches, government campaigns, etc.



## Strong governance

Starting from the common vision, the government should establish a governance framework which consists of strong institutions and actors with clear roles and responsibilities. Such a framework facilitates the collective planning and implementation of a coherent and effective foreign climate policy in line with the Paris Agreement, and actively avoids and corrects contradictions.

Characteristics	Vehicles/ Evidence
Dedicated <b>institutions</b> with clear roles and responsibilities engage in the coordination, planning, and implementation of foreign climate policy.	<ul style="list-style-type: none"> <li>- Reflection in institutional landscape, e.g., special climate envoy, climate task force, climate focal points in institutions, etc.</li> <li>- Planning and implementation of climate-relevant international activities is coordinated and aligned across institutions at EU level with leadership from the highest level ('speaking with one voice')</li> </ul>
A clear foreign climate policy <b>strategy</b> is set in place with specific measures and targets that are regularly monitored and assessed.	<ul style="list-style-type: none"> <li>- Development of climate diplomacy strategy with specific targets, measures, and monitoring mechanism.</li> <li>- Development of clear guidelines for action within each institution (e.g., at the DG level) for engagement in foreign climate policy (e.g. consistent climate criteria for international finance or MDB voting guidance)</li> <li>- Assessment of initiatives and activities is ensured through a climate check mechanism either within institutions or centrally</li> </ul>
An independent review and <b>feedback mechanism</b> verifies the alignment of all international initiatives and activities with the Paris Agreement and ensures accountability, transparency, and learning.	Existence and power of independent review body/ies
<b>Sufficient resources</b> are made available to institutions to effectively implement their climate diplomacy mandate.	<ul style="list-style-type: none"> <li>- Organisation chart (division of departments, size of departments, etc.)</li> <li>- Public budget allocated to climate diplomacy efforts</li> </ul>
<b>Multi-stakeholder consultations</b> accompany the entire foreign climate policy planning and implementation processes.	Different formats and platforms facilitate regular exchange with a variety of actors and ensure that results of this exchange are fed into planning and implementation of foreign climate policy
Effective <b>communication channels</b> facilitate dialogue between government institutions domestically and internationally as well as with other actor groups.	Climate diplomacy is transparent and inclusive throughout governance levels.



### Impactful international engagement

International action and international public finance should be aligned with the government's responsibility, vision and the objectives of the Paris Agreement. Furthermore, the government should promote measures that are coordinated and aligned with international partners, support comprehensive transformation processes, and are adapted to the needs of the partner countries.

Characteristics	Vehicles/ Evidence
<p><b>International public climate finance</b> is mobilised in line with "fair share" and used to catalyse private investments for climate action.</p>	<ul style="list-style-type: none"> <li>- "Fair" contribution to the USD 100 billion climate finance goal and future higher goals</li> <li>- Reaching the ODA goal of 0.7% of GNI</li> <li>- Strategic approach to the choice of financial instrument, mainly a rationale for grant, concessional or market rate financing</li> </ul>
<p>All <b>international public finance is aligned</b> with the Paris Agreement.</p>	<ul style="list-style-type: none"> <li>- Regular independent reviews / audits of all public international spending and its Paris compatibility</li> <li>- Earmarking of public funds to specific goals and initiatives</li> </ul>
<p>All <b>relevant foreign policy channels</b>, including trade policy, scientific cooperation, and humanitarian and development aid are <b>mobilised to support and accelerate the global transformation.</b></p>	<p>The government mainstreams climate considerations in all foreign policy action</p>
<p>Planning and implementation of <b>climate-related international action with partners abroad</b> is coordinated and aligned.</p>	<ul style="list-style-type: none"> <li>- Organisation chart (division of departments, size of departments, etc.)</li> <li>- Public budget allocated to climate diplomacy efforts</li> </ul>
<p>The government launches and supports <b>transformative and impactful international initiatives.</b></p>	<ul style="list-style-type: none"> <li>- The government participates in global innovative and ambitious climate initiatives, mobilises other actors (including the private sector) or takes the lead in initiating them</li> <li>- Regular and transparent reporting on the evaluation and measurement of the impact of the initiatives / activities.</li> </ul>
<p>Climate-related international action is based on <b>cooperation on an equal footing</b> with transparently defined interests of all stakeholders and responds to the <b>needs of the partner countries.</b></p>	<p>Actions in recipient /partner countries take into account domestic priorities (mitigation, adaptation, L&amp;D) and communication is adapted to the respective context</p>



### Leading by example

Acts as a role model in developing domestic climate policy in line with what is necessary to limit global warming to 1.5C. Ambitious domestic policies lend credibility and strengthen multilateral norms around the Paris Agreement.

Characteristics	Vehicles/ Evidence
<b>Ambitious domestic climate targets</b> demonstrate leadership in line with the Paris Agreement.	Domestic emission targets reflect historical responsibility
<b>Effective policies</b> ensure that all climate targets are met on schedule.	Clear roadmaps for different sectors and their decarbonisation pathways
The government strengthens and complies with <b>international climate norms</b> such as those established under the UNFCCC, G7, amongst others.	Follows requests of COP (e.g., by updating NDC before end of 2022)
Domestic <b>success stories and good practices</b> are showcased and promoted in the international community.	Good practices are distilled and actively communicated / shared



**>> 03**

**Audit of European  
foreign climate  
policy**

They may not have known it, but as European leaders gathered after World War II to found the European Coal and Steel Community (a common market for high emitting sectors), they galvanised Europe as a diplomatic heavyweight on the world stage with the potential to play a pivotal role in the evolution of the global effort to fight climate change.

The “ever closer union” described by the 1957 Treaty of Rome is not a clean in or out exercise: it includes the European Economic Area, which share the EU's Emissions Trading System (ETS) with non-EU Member States and is therefore not entirely synonymous with the scope of the EU's Nationally Determined Contribution (NDC). While members of the European Community already formed a group to negotiate together in the earliest days of the international climate negotiations – notably at the Rio Earth Summit and COP 1, the pooled nature of sovereignty have given what has become the European Union a varied but unruly toolbox of competences at its disposal to exercise its power as an actor in climate diplomacy. These powers, while sometimes relatively effective within UNFCCC negotiation rooms are not always deployed to their maximum potential. Increasingly, it is clear that encouraging and enabling other countries to ramp up their climate ambition is not something that will only be accomplished through imposing the *acquis communautaire* on aspirant members and thereby expanding the European Communities from the 15 countries that signed up to the Kyoto Protocol to the 27 member states that are now implementing the EU's NDC under the Paris Agreement. Rather, climate diplomacy is something that extends to trade policy, finance policy, development policy, EU relations with third countries, industrial policy, agricultural policy, and more. These run the full spectrum of policy areas the Treaty of Lisbon distinguishes between exclusive competencies of the Union, to shared competencies between the Union and its Member States, and supporting competencies. In some cases, the European Commission or other EU institutions may represent Europe, in other cases, various Member States, and in other cases all at the same time.

Following the 2019 European elections and based on the political mandate given to it by the European Council and Parliament, the von der Leyen Commission set out six political priorities including A European Green Deal and A stronger Europe in the World. It aimed to stake out the EU's role as an international actor, pledging to be a “geopolitical Commission” (European Parliament, 2020c). The European Green Deal is a core pillar of the Commission's platform, and while predominately focused on domestic climate policy, has a decidedly global impact with implications for industrial value chains, trade, and finance. The multi-dimensional nature of climate change and the economy-wide transition needed to meet emission objectives outlined in key EU legislation, require a cross-sectoral and inter-institutional response. The expansion of climate considerations into policy spheres which have so far resisted climate mainstreaming

and lack of a centralised EU climate foreign policy vision and framework has led to coordination challenges and, at times, the misalignment of EU foreign relations with stated climate objectives.

In this chapter, we take stock of the strengths and weaknesses of EU foreign climate policy according to the four blueprint elements outlined above: common vision; strong governance, impactful international engagement, and leading by example.

The rating categorisation presented in the following chapter reflects different levels of progress that the EU has made in certain areas related to climate diplomacy. The highest rating, "**very advanced**," suggests that the EU is setting high standards in this area, indicating significant and exemplary progress. The next level, "**advanced**," suggests that the EU is making good progress, but there is still room for improvement. The rating "**needs improvement**" indicates that the EU is making some progress, but there is significant room for improvement. The lowest rating, "**poor**," suggests that the EU's progress in this area is inadequate, indicating that significant work needs to be done to improve the situation.

The assessment is based on expert judgement, with the authors of the study drawing on information from the literature and official documents as well as insights from over 20 interviews conducted as part of this research. Moreover, the assessments were presented and validated through an interactive workshop in Brussels. The classification approach used is based on the blueprint for a Paris-aligned foreign climate policy as presented above, with the situation described in the "Characteristics" column outlining the ideal situation ("very advanced"). The recommendations provided are drawn from the literature and interviews with EU stakeholders.

### 3.1 Common vision

#### Formulated and signed off at the highest political level

The European Green Deal outlined the EU's pledge to be the first climate-neutral continent by 2050 (European Commission, 2019a). The European Climate Law subsequently enshrined the pledge into law, setting a binding commitment to curb emissions (European Parliament and Council, 2021). It is crucial for the EU to conduct active and ambitious climate diplomacy to meet this domestic ambition and support global alignment with the Paris temperature target. The European Council, which sets the political direction of the EU, underlines the need for "strong coordinated action [on climate] through active European climate diplomacy" (European Council, 2019). And, collectively, EU institutions, including the Commission, Council, and Parliament identify "global leadership in fighting climate change" as a strategic priority in 2020-2024 (General Secretariat of the Council, 2020).

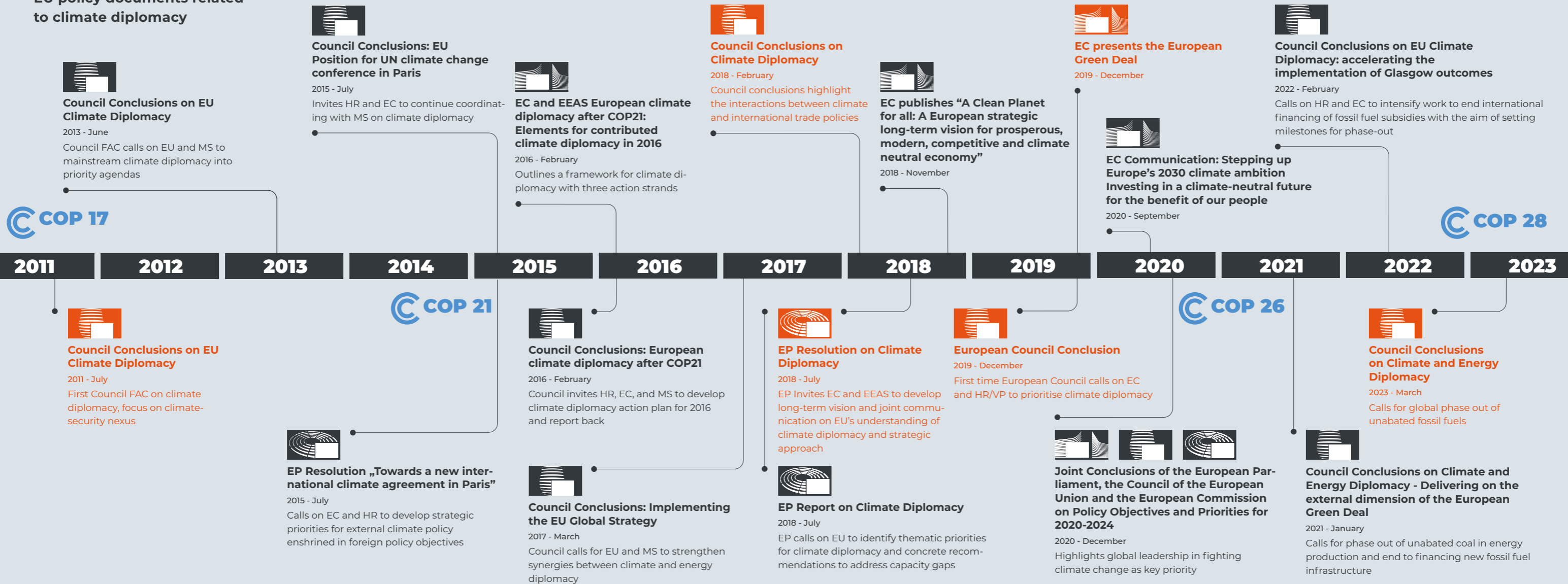
EU institutions are increasingly active with regard to climate diplomacy, although they set their priorities in their own policy documents. The EU does not have a comprehensive long-term and high-level vision for EU climate diplomacy. Rather, the EU has various policy guidance documents from various institutions that collectively form its climate diplomacy vision. → **Figure 1** gives an overview of the main climate diplomacy guidelines of EU institutions since 2011. An overview of EU institutions' roles and responsibilities for climate diplomacy is provided under the Strong Governance chapter.



#### Council of the European Union

The Council of the European Union is the decision-making body which, among other things, is responsible for negotiating and adopting EU laws, concluding international agreements, and coordinating member state policies. It publishes three climate-diplomacy-relevant conclusions annually from the Foreign Affairs Council (FAC), Environment (ENV), and Economics and Financial Affairs (ECOFIN) configurations, which address climate mainstreaming in foreign policy, COP negotiation positions, and international climate finance contributions, respectively. The FAC published its first conclusions on climate diplomacy in 2011, where Ministers call for the EU to strengthen its voice and engagement with partners on climate action (Council of the European Union, 2011). The 2016 FAC conclusions invite the Commission, Member States, and High-Representative for Foreign Affairs and Security Policy to develop an action plan for climate diplomacy (Council of the European Union, 2016). And the 2023 FAC conclusions call for the global phase out of fossil fuels (Council of the European

Figure 1  
EU policy documents related to climate diplomacy



Source: Produced by authors based on information available on the websites of the EU

Union, 2023a). The near-term and iterative nature of Council guidance leads us to consider them as strategy documents (see Strong Governance section). While beneficial in establishing consensus among Member States, conclusions are not signed off by all relevant institutions (i.e., the Parliament or Commission – although several DGs are involved in the drafting) and do not provide a long-term high-level vision.

### European Commission

The Commission shapes and develops domestic and external EU policy and monitors its implementation. The European Green Deal signals a more strategic approach by the Commission to mainstream climate into all policy channels (e.g., trade and international development cooperation). While the Green Deal predominately serves as a roadmap for the EU's domestic green growth strategy, it reflects the international context of transition and calls for strengthened

“Green Deal Diplomacy” to externalise EU priorities and values. The Deal sets out potential high-level priorities, including ending global fossil fuel subsidies and the financing of fossil fuel infrastructure and strengthening sustainable finance (European Commission, 2019a). The Green Deal is a response to the Council and Parliament's calls for greater ambition and mainstreaming, but represents a Commission plan (Oberthür and Dupont, 2021) . However, further high-level and long-term guidance is needed on EU priorities for the external dimension of the Green Deal and detailed information should be provided on what that means for climate (Green Deal) diplomacy.

### European Parliament

The Parliament, which is directly elected, also plays an important role in shaping the EU's climate diplomacy vision, often pushing for greater ambition.

While it does not hold a formal negotiating position vis-à-vis international partners, it is responsible for ratifying treaties and engages with constituents and other parliamentary bodies to lobby for increased climate ambition. The Parliament can influence pre-COP Council Conclusions by EU Environment Ministers through publishing **annual resolutions on COP** negotiation positions before their meeting. In 2018, the Parliament published a detailed **resolution on climate diplomacy** which called for strengthened capacity, increased international cooperation to implement the Paris Agreement, and for the EU to identify strategic partnerships (European Parliament, 2018a).

The narrative on EU climate diplomacy outlined across institutions converges on areas of focus including global leadership, strategic partnerships, and climate mainstreaming in foreign policy. However, parallel visions across institutions lead to a piecemeal vision of EU climate diplomacy and the external dimension of the Green Deal.

The EU could benefit from a consolidated vision that identifies long-term and high-level priorities of EU climate diplomacy which correspond to objectives outlined in the European Green Deal and are Paris Agreement compatible. Such an overarching document would provide guiding principles and a clear mandate to the growing number of EU stakeholders engaged in climate-relevant (foreign) policy. A consolidated vision document is in line with calls from the Parliament for a comprehensive strategy for EU climate diplomacy that facilitates integrating climate into all fields of EU external action (European Parliament, 2018c). Inspiration could be drawn from the European Consensus on Development which outlines a long-term vision for European International Cooperation in line with the 2030 Agenda (The Council of the European Union, 2017).

### **Reflects magnitude of the challenge in both ambition and scale:**

Most climate diplomacy guidelines from EU institutions reference the need to align action with the Paris Agreement and limit temperature to 1.5 degrees. The Green Deal explicitly notes that global action on climate change is insufficient to meet the objectives of the Paris Agreement and pledges the EU's commitment to ensure the treaty remains the "indispensable global framework" for addressing climate change (The Council of the European Union, 2017). Annual Council Conclusions reiterate the EU's commitment to engage with partners through climate diplomacy to implement the Paris Agreement and to coordinate EU and Member States lobbying efforts for Paris-alignment at multilateral fora (i.e., as MDBs and IFI shareholders) (Council of the European Union, 2023a). Notably, the 2020-2024 Joint Conclusions, which set EU priorities for the given period, highlight global leadership in climate action but do not reference the Paris Agreement or temperature targets (General Secretariat of the Council, 2020). A growing number of EU institutions are involved in drafting the FAC



**Box 1****European Consensus on Development**

The European Consensus on Development (The Council of the European Union, 2017) was adopted by the EU and Member States in response to the UN 2030 Agenda for Sustainable Development (United Nations, 2015b). The Consensus is the result of a participatory process involving EU institutions and Member States and a public consultation with nearly 200 stakeholder contributions (United Nations - DESA, no date). The Consensus aims to enable more coordination between Member States and EU institutions through defining a long-term and high-level shared vision and framework for implementing development cooperation priorities. Through the Consensus, the EU reaffirms poverty eradication as the primary driver of development policy and highlights interlinkages between development cooperation objectives and other policy areas for example security, humanitarian aid, migration, and environment and climate change (United Nations - DESA, no date). It underlines the need to integrate environmental, social, economic, and resilience perspectives into development policy. And, importantly, notes that the implementation of the 2030 Agenda should be closely coordinated with the Global Strategy for the EU's engagement in the world and the Paris Agreement

The implementation of the Consensus entails mobilising all channels, as called for in the Addis Ababa Action Plan (United Nations, 2015a), including trade, security, and private investment. While the institutional adoption of the Consensus was challenging due to the number of involved stakeholders, it has been attributed to greater SDG alignment and mainstreaming across international cooperation engagement (United Nations - DESA, no date). It also provides a mechanism to gauge EU action against its stated objectives. The Consensus calls for a joint synthesis report every four years that monitors the impact of EU action in support of the 2030 Agenda in developing countries (The Council of the European Union, 2017).

A similar consensus on climate diplomacy could further the Green Deal mandate to utilise all foreign policy channels to support the implementation of the Paris Agreement. Further it could highlight interlinkages between foreign climate policy, foreign and security policy, development cooperation policy, and trade policy, among others. Such a consensus would complement the EU's efforts to support Paris alignment through internal and external policies and clearly indicate the EU's ambition to be a global leader in climate action towards implementing the Paris Agreement.

Conclusions on climate diplomacy and take part in an iterative review process with Member State representatives in the Council. EEAS along with the RELAX DGs collectively draft the conclusions and interviewees note that while initially only DG CLIMA engaged in the conclusion drafting, other DGs involvement has grown in the past few years. Parliament and CSOs also engage with stakeholders to influence the outlined priorities.

While the EU promotes alignment of its foreign policy with international climate agreements, different institutions' phrasing implies different levels of ambition. The Parliament is largely seen as the most ambitious institution, passing resolutions that increase political pressure. Various commentators see this as the Parliament's role while being cognisant of the fact that the Parliament's decision makers are not ultimately responsible for implementing policies. The dynamics of compromise are different in the Council, which must strike a balance between ambitious and reticent Member States who are

directly responsible for implementing legislation. One example of differences in ambition is the EU's 2050 climate neutrality goal and its related 2030 emissions reduction target. In the European Climate Law, the Commission initially proposed a 2030 emission reduction target of at least 50 percent but later raised it to 55 percent (European Commission, 2020c, 2020b). The European Parliament increased political pressure for ambitious action by declaring a climate emergency in 2019 (European Parliament, 2019e), and in 2019 called for the von der Leyen Commission to set emission reduction target of 55% (European Parliament, 2019f). In 2020, it called for increased ambition, voting in favour of increasing the 2030 emission reduction goal to 60% (European Parliament, 2020a). The Council, on the other hand, initially withheld endorsement of the 2050 climate neutrality pledge because of opposition by some Central and Eastern European Member States and ultimately endorsed the objective with Poland abstaining (European Council, 2019). → **Box 2** provides a comparison of EU institutions' ambition levels for the 2030 emission reduction target in the EU Climate Law proposal.

Among EU institutions there is growing consensus on the geopolitical importance of climate change and the green transition. Consequently, overtime, the breadth of the EU's climate diplomacy has broadened from a focus on the climate security nexus and UNFCCC negotiations to encompass foreign policy

**Box 2**

**Comparison of proposals for EU Climate Law 2030 emission reduction target**

**European Commission**

**Proposal for European Climate Law**

March 2020

"...plan to increase the EU's greenhouse gas emission reduction target for 2030 to **at least 50% and towards 55%** compared with 1990 levels in a responsible way." (European Commission, 2020c)

**Amended proposal for European Climate Law**

August 2020

"...plan to increase the EU's GHG emission reduction target for 2030 is increased to **at least 55%** compared with 1990 levels." (European Commission, 2020b)

**European Council**

**European Council Conclusions**

December 2020

"European Council endorses a binding EU target of a net domestic reduction of **at least 55%** in GHG emissions by 2030 compared to 1990." (European Council, 2020)

**European Parliament**

**Resolution on 2019 UN Climate Change Conference (COP25)**

November 2019

"Supports an update of the EU's NDC with an economy-wide target of a **55% reduction** in domestic GHG emission by 2030 compared to 1990 levels." (European Parliament, 2019d)

**Proposal for regulation 2a of European Climate Law**

October 2020

The Union's 2030 target for climate shall be an emissions **reduction of 60%** compared to 1990 (European Parliament, 2020a)

related to trade, industry, development, and finance and investment. To safeguard the EU's Green Deal interests and stake out a leadership position, policy documents indicate several focus areas for foreign climate policy, including: the strengthening of multilateral partnerships and expansion of strategic green alliances; the promotion of global standards for green and sustainable finance; the fulfilment of the collective climate finance goal of USD 100 billion set by developed countries and the development of the New Collective Quantified Goal on climate finance (NCQG); the alignment of trade policy and trade agreements with climate ambitions; the promotion of carbon pricing schemes; and the phase out of financing for fossil fuel infrastructure (Council of the European Union, 2018; European Parliament, 2018b; European Commission, 2020a; Council of the European Union, 2021a).

The EU's efforts to integrate climate considerations into relevant foreign policy (i.e., finance and investment, international trade, and foreign security, and industrial policy) reflects recognition of the magnitude of change needed to advance towards meeting Paris targets and the potential opportunities of the green transition. The increased mainstreaming of climate considerations, at least on paper, is promising. For instance, the 2016 Global Strategy for the European Union's Foreign and Security Policy, the 2017 European Consensus on Development, and the 2022 External Energy Engagement Strategy all refer to the Paris Agreement and the latter two documents reference the green transition (EEAS, 2016; The Council of the European Union, 2017; European Commission, 2022e). The EU should continue its trend of articulating climate policy ambitions across relevant foreign policy guidance and, very importantly, ensure that good intentions are translated into action.

### **Clear and unambiguous communication strategy**

The Commission and the European External Action Service's (EEAS) websites summarise the EU's international climate action and list priority engagement areas, including trade, climate finance, and multi-lateral and bi-lateral cooperation (European Commission, no date A; EEAS, 2021). The Commission and the EEAS conduct outreach to other countries through multiple channels, including regional and bi-lateral summits and EU delegation-led campaigns. However, as noted, the EU has parallel visions of climate diplomacy outlined by EU institutions. Clear communication of its priorities, both short to mid-term as well as long-term, is needed to lobby for greater global ambition and signal that the EU is a reliable partner. Developing a common vision document and outlining key speaking points for EU and Member States' officials could clarify communication and contribute to the EU speaking with one voice across foreign policy areas. Such a document would support the Parliament's calls for coordinated communication strategies and activities to increase awareness and support (European Parliament, 2018c).

The EU translates most policy documents and websites into its official Member State languages. In addition to institutions' policy guidance, the Commission creates factsheets on central Green Deal legislation which present key targets in a digestible format and are available in all Member State languages (European Commission, 2019b). The factsheets are predominately targeted at a European audience, supplemental factsheets that include more detailed information on what key legislation means for third countries could be beneficial. Additionally, expanding the language offering of EU communications on climate diplomacy – particularly to include popular languages, like Mandarin, Arabic, and Russian – could enable broader reach in partner regions. This is seen in communication on the Global Gateway which is available in Arabic and Swahili. Any joint vision of climate diplomacy should be available in a broad range of partner languages and clearly communicate EU external engagement priorities.



**Table 2**  
Summary analysis: **Common vision**



Characteristic	Current landscape	Assessment	Recommendation
<b>Formulated and signed off at highest political level</b>	EU institutions have been active on climate diplomacy for some time but outline parallel visions which mostly have a short to mid-term horizon. While guidance indicates converging priorities, the EU does not have a comprehensive long-term and high-level vision for EU climate diplomacy endorsed by all EU institutions.		Develop a <b>common and high-level vision</b> of guiding principles and priorities for climate diplomacy building on and advancing the external dimension of the Green Deal and Paris alignment. E.g., a European Consensus on Climate Diplomacy
<b>Reflects magnitude of the challenge in both ambition and scale</b>	EU institutions are consistent in their support for implementation of Paris objectives and encouraging partners to increase ambition to limit temperature increase to 1.5C.		Provide <b>guidance on the concrete implementation of mainstreaming climate diplomacy</b> across foreign policy linked to priorities and common vision.
<b>Clear and unambiguous communication</b>	Even though the different EU institutions have installed formats for communication and good efforts are clearly visible, the existence of parallel climate diplomacy guidance by different institutions complicates the communication of the EU's climate diplomacy vision.		<ul style="list-style-type: none"> <li>- <b>Develop speaking points</b> on long term objectives of EU climate diplomacy for officials</li> <li>- <b>Expand language offering</b> of EU documents to include non-EU languages (e.g., Mandarin, Russian, Arabic).</li> </ul>

## 3.2 Strong governance

When it comes to effective and efficient foreign climate policy, the EU faces several barriers stemming from the Union's complex institutional structures. The EU's democratic legitimacy rests on consensus between both Member States and political factions in the European Parliament. Conflicting political priorities, policies, and capacities among its 27 Member States and between European political parties' complicate decision making. The EU can push for greater climate ambition, but it is constrained by the political will of Member States who set its political direction through the European Council, co-ratifies legislation through the Council of the European Union, and fund its budget. While the interaction of Member State and EU policies plays an influential role in foreign relations, assessing Member State foreign climate policy is outside the scope of this report.

### Clear roles and responsibilities

Responsibilities for foreign climate policy are spread across several functions and institutions, given the cross-cutting nature of climate change. However, roles and responsibilities are not always clearly assigned, and climate issues could and should play an even greater role in some key EU institutions.

The Lisbon Treaty, which entered into force in 2009, had a significant impact on EU climate diplomacy by redefining the roles and responsibilities for external action. The Lisbon Treaty included the objective to make the EU's foreign policy more efficient, coherent and visible, while respecting the principle of Member States' sovereignty (European Union, 2007). The main provisions from the Treaty affecting EU's climate diplomacy include:

- The role of the High Representative of the Union for Foreign Affairs and Security Policy (HR) was extended to not only lead the new EEAS (see below), but also to simultaneously be a Vice-President of the Commission and Chair of the Council FAC. The HR/VP chairs the Foreign Affairs Council and is responsible for coordinating and implementing the EU's foreign policy, including on climate change. This reflects that foreign policy is a complex subject area that would be better placed between the political executive functions of the Council and the technical executive functions of the Commission. This change aimed to strengthen the coherence of the EU's foreign policy areas including, for instance, trade, development, neighbourhood policy and humanitarian aid.

- The establishment of the European External Action Service (EEAS), the European diplomatic service which supports the HP/VP in carrying out its duties and is responsible for the EU's delegations in partner countries.
- The clarification of the roles of the European Council, which sets the EU's overall political direction and priorities, and the Council of the EU, which coordinates Member States' policies and adopts EU legislation.
- The strengthening of the European Parliament's role in EU external action, including giving it the power to consent to international agreements and participate in the appointment process for certain EU officials.
- In addition to these guidelines on roles and responsibilities provided by the Treaty, the Commission influences the extent to which climate diplomacy is embedded into its daily political operations through its structuring. → **Figure 2** provides an overview of the current institutional structures within the various EU institutions that are – to varying degrees – relevant to foreign climate policy and shows the linkages between them.



## European Commission

The European Commission is responsible for proposing and implementing EU legislation, including the EU's foreign policy, and managing the EU budget. When taking over as President of the European Commission at the end of 2019, Ursula von der Leyen reorganised the Commission into six clusters, each representing a priority work area. Each cluster is led by a Vice-President, who acts as a ministerial-level coordinator for that priority area, while other Commissioners who lead Directorates-General (DGs) in that area act as state secretary-level coordinators. Relevant clusters for EU's climate diplomacy include:

- a** **A Stronger Europe in the World** - led by Josep Borrell (High Representative of the EU for Foreign Affairs and Security Policy and Vice-President); the cluster is in charge of coordinating the external action of the EU and focuses on external relations and foreign policy, including climate diplomacy and development cooperation. The HP/VP is also tasked to ensure that “all external financial instruments are used strategically, contribute to the EU's wider political aims and enhance Europe's leadership and influence in the world” (European Commission, 2019d). DGs that are particularly relevant for foreign climate policy and that fall under this cluster include DG INTPA and DG NEAR. DG INTPA oversees the EU's international cooperation and development policy and dis-



burses the EU's funding for development, including for climate action, in partner countries (European Commission, 2019e). DG NEAR is meant to contribute to the Green Deal by fostering a better coherence between internal and external policies of the EU, while ensuring that goals and actions foreseen in the EU are also integrated in the EU's relations with Enlargement and Neighbourhood countries (European Commission, 2019f). This cluster also leads on the EU's Global Gateway Initiative, which aims at investing in key infrastructure areas, including climate and energy, and establishing economic partnerships around the world based on EU values and priorities (European Commission, 2021c).

**b An Economy that Works for People** - led by Valdis Dombrovskis (Executive Vice-President); the cluster focuses on economic policy, including financial services, taxation, and trade. In particular, the cluster leads the work to strengthen Europe's global leadership on trade and promoting sustainable partnerships and, where appropriate, facilitates new bilateral and multilateral partnerships. The cluster also oversees the implementation of climate, environmental and labour protections enshrined in the EU's trade agreements and including climate provisions in the trade and sustainable development (TSD) chapters of FTAs. In addition, the cluster is responsible for a range of other topics that play an important role in foreign climate policy, such as contributing to the design and introduction of the Carbon Border Adjustment Mechanism (CBAM) and the management of relations with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), that has named itself as the "European Climate Bank"<sup>2</sup> (European Commission, 2019g). The most relevant DG in this cluster is DG TRADE which is, tasked with strengthening the EU's strategic partnerships with major trading partners and negotiating, with support from other DGs, FTAs with partner countries around the world (European Commission, no date). However, it is important to note that not all trade-related policies fall under the competence of DG Trade. For example, policies with extraterritorial impact, like the Commission's proposals for Corporate Sustainability Due Diligence regulation and Deforestation free supply- chains, fall under the portfolio of VP Breton (Internal Market), VP Jourova (Values and Transparency) and VP Reynders (Justice).

**c European Green Deal** - led by Frans Timmermans (Executive Vice-President and Commissioner for climate action); the cluster leads the Commissions work on the Green Deal, including delivering on the EU's domestic climate targets. In parallel, it leads international climate negotiations on behalf of the EU with the aim to increase the level of ambition of other major emitters. In addition, it is tasked with the work

<sup>2</sup>  
The EIB is referred to as the "European Climate Bank" because it has made the fight against climate change one of its top priorities. Concretely, it announced that it will support EUR 1 trillion of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030, gradually increase the share of its financing dedicated to climate action and environmental sustainability to exceed 50% of its operations in 2025 and align all its financing activities with the principles and goals of the Paris agreement by the end of 2020 (European Investment Bank, 2020).

on the Carbon Border Tax (European Commission, 2019c). Directorate Generals that are of relevance for foreign climate policy and that fall under this cluster include DG CLIMA, DG ENER and DG ENV. DG CLIMA leads the Commission's efforts to fight climate change in the EU and globally with designated units in charge of mainstreaming and policy coordination as well as for international relations. It also represents the Commission in UNFCCC processes and hosts the chief Paris Agreement negotiator and Head of the UNFCCC task force (European Commission, 2023d). DG ENER focuses on energy cooperation with neighbouring countries and is as such responsible for, among others, deepening the energy cooperation between the EU and Africa as well as for strengthening its leading role in the international initiatives related to hydrogen (European Commission, 2020d). DG ENV also plays an important role for foreign climate policy, e.g., by being tasked to ensure that the highest environmental standards of environmental protection are upheld in EU FTAs, where DG ENV, together with DG TRADE, contributes to the negotiations and implementations of the relevant Trade and Sustainable Development chapters in FTAs (European Commission, 2020e).



### **The European Council & the Council of the European Union**

The main role of the European Council, consisting of the heads of state or government of the Member States, is to define the EU's overall political direction and priorities, including for foreign policy. The Council Presidency rotates among the member states every six months and is responsible for chairing meetings and setting the agenda. The Council Presidency also represents the EU in international fora, including the United Nations Climate Summit, and is thus in charge of coordinating the EU's external action in close cooperation with the High Representative of the Union for Foreign Affairs and Security Policy (HP/VP Borrell) (European Council, 2022).

The Council of the European Union, also known as the Council of Ministers, is the main decision-making body of the EU. It plays a crucial role in shaping the EU's foreign policy, including the Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP). Although climate considerations have historically not been in the centre of these policy guidelines, recent reports suggest that climate is becoming more visible (European Parliament, 2021c, 2022c). Within its different configurations, it is also tasked with adopting common positions and strategies (European Council, 2022). The configurations that are particularly relevant for foreign climate policy include the following (European Council, 2023a):

- The Foreign Affairs Council sets the broad agenda for the EU's common foreign and security policy. It discusses and coordinates

the EU's actions in this field, including crisis management, sanctions, and the development of the EU's global strategy. The FAC, which is chaired by the HP/VP Borrell, also adopts the Council conclusions on climate diplomacy.

- The Environment Council (ENV) is responsible for environmental issues, including climate change, biodiversity, and pollution. It coordinates the EU's position in international negotiations on climate and environment.
- The Economic and Financial Affairs Council (ECOFIN) is responsible for economic and financial policy, including the coordination of national economic policies, the EU's budget, taxation, and financial services regulation. It also coordinates the EU's position in international economic and financial institutions, such as the World Bank and the International Monetary Fund.



## European Parliament

The European Parliament is the EU's only directly elected legislative body. The European Parliament plays an important role in determining EU climate diplomacy for several reasons, including its power to initiate and approve or reject legislative proposals and through exercising oversight and scrutiny over the work of the Commission and some of its bodies, such as the EEAS. The Parliament directly engages in climate diplomacy, among others, by debating legislation relevant to climate diplomacy, through active collaboration with parliamentarians from third countries, and by regularly passing resolutions on climate diplomacy.

This work is supported by standing committees of the European Parliament which are composed of Members of the European Parliament (MEPs) from different political groups, who work together to develop and coordinate the Parliament's position on specific issues. Committees that are of relevance for EU's foreign climate policy include the following:

- The Committee on Foreign Affairs (AFET) is responsible for the EU's common foreign and security policy, including the EU's external relations with third countries and international organisations (European Parliament, 2019a). It can play a role in shaping the EU's foreign climate policy by, for example, advocating for more ambitious climate action in the EU's relations with third countries or scrutinising the EU's climate-related external spending.
- The Committee on the Environment, Public Health and Food Safety (ENVI) is responsible for EU legislation and policy related to environ-

mental protection, including climate action (European Parliament, 2019c). It can influence the EU's climate diplomacy by providing input on the EU's climate-related legislative proposals and scrutinising the implementation of EU climate policies and measures.

- The Committee on International Trade (INTA) is responsible for the EU's trade policy, including negotiations with third countries and monitoring the implementation of trade agreements and is, as such, also relevant for foreign climate diplomacy (European Parliament, 2019b). In particular, when trade agreements include climate-related provisions (e.g., on carbon pricing or clean technology cooperation). As such, INTA can play a role in ensuring that trade policies and agreements are consistent with the EU's climate goals.

### **European External Action Services (EEAS)**

The EEAS is an EU body that plays an important role for its foreign climate policy efforts. Generally, EU bodies are independent bodies of the European Union that support the EU in various policy areas. They have specific roles and functions but are not part of the EU's main decision-making institutions.

The EEAS is the EU's diplomatic service and responsible for implementing its foreign and security policies, representing the EU in international fora and ensuring consistency and coordination of EU's external action. It is led by the High Representative of the Union for Foreign Affairs and Security Policy, currently Josep Borrell (EEAS, 2023). The EEAS has its central headquarter in Brussels, as well as a network of delegations in over 140 countries around the world. The delegations are responsible for representing the EU in their host countries and engaging with local stakeholders, including governments, civil society organisations, and business communities. The EEAS also hosts the EU's Ambassador at Large for Climate Diplomacy since 2019 and chairs the EU Green Diplomacy Network (GDN) (EEAS, 2022). The GDN is an informal network created in 2003 which aims to integrate environment into external relations, and which consists of officials dealing with international environment and sustainable development issues in the EU Member States' Ministries of Foreign Affairs and their diplomatic missions and the EU Delegations.

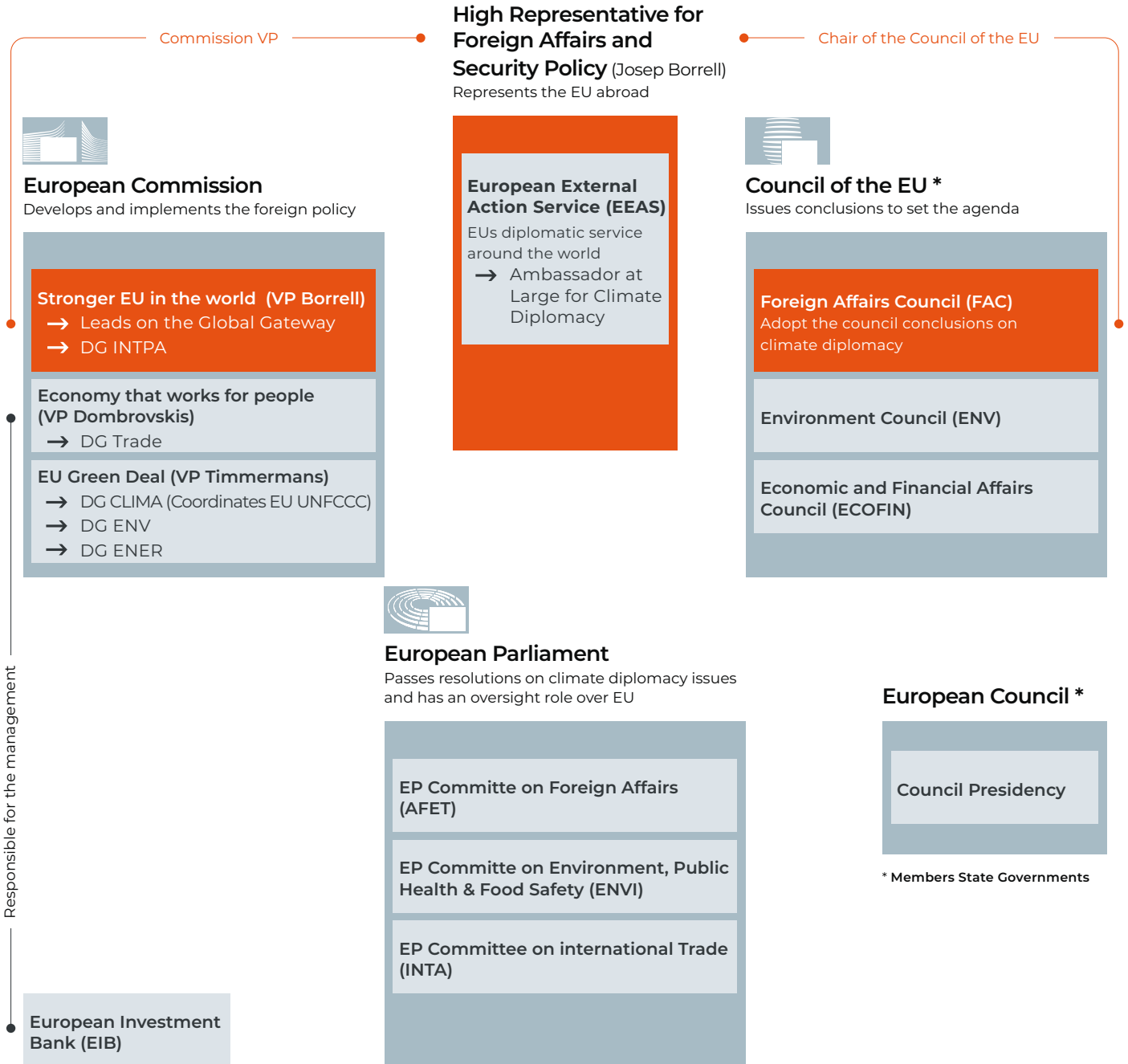
### **Coordination among institutions**

Due to the multiplicity of actors and institutions and the complex structure of the EU institutions, effective coordination mechanisms are essential for efficient and effective work. Coordination mechanisms and processes exist at various levels, from the highest political level to the working level, and are partly informal and partly formal and transparent. In the field of foreign policy, there are many such mechanisms and processes. Two formal platforms that play a role in coordinating EU foreign policy, which are worth highlighting, are:

- The so-called **Group for External Coordination (EXCO)** was created in the context of von der Leyen's announcement to form a “Geopolitical Commission” and is meant to coordinate external affairs related to the Commission's work. The group meets weekly to discuss current international issues, prepare for college meetings, and coordinate positions to be taken at international fora or summits. The work of this group aims to make external action more strategic and coherent as well as to ensure that the internal and external dimensions of the Commission's work are aligned (European Commission, 2019i). Climate-issues do not seem to be in the focus on this group.
- Another relevant body that deals with the coordination of EU positions for international negotiations related to environmental and climate change issues is the **Working Party on International Environment Issues (WPIEI)**. It is composed of representatives from the Member States and chaired by the delegate of the country holding the rotating six-month presidency of the Council (EU Monitor, no date).

In summary, foreign policy and external action are divided among many institutions and functions within the EU. However, the extent to which climate plays a role in these respective institutions and functions varies greatly. The responsibilities for climate diplomacy are not clearly defined and mandates differ from actual practice. HP/VP Borrell should, at least if considering his mandates and the institutions assigned to him, play an essential role in the EU's climate diplomacy (→ see **Figure 2**). For example, the EEAS, which hosts the EU's Climate Ambassador at Large for Climate Diplomacy and which oversees the work of the more than 140 EU delegations worldwide, is headed by the HP/VP. In addition, the HP/VP chairs the FAC, which is primarily responsible for drafting the Council conclusions on climate diplomacy. These conclusions as well as other key EU climate documents, such as the EU's Long-term Strategy, explicitly refer to the HP/VP when it comes to the implementation of EU climate diplomacy (Croatia and the European Commission, 2020). As VP of the Stronger EU in the world priority area, Borrell is also responsible for the EU's Global Gateway Initiative. These mandates and assignments suggest that climate should be a key focus of the HP/VP. However, despite this strong positioning not only in terms of foreign policy in general, but also in terms of the EU's foreign climate policy and climate diplomacy, climate is not recognisably high on HP/VP Borrell's agenda. A first step to noticeably show that climate is prioritised would be to increase the number of staff in the EEAS's climate diplomacy team and – very importantly – to fill the position of the climate ambassador, as quickly as possible which has been vacant since March 2023.

**Figure 2**  
**Roles and responsibilities in EU climate diplomacy**



Source: Produced by authors based on information available on the websites of the EUI



In practice, Vice-President Timmermans takes on the role of a climate envoy<sup>3</sup> by engaging with international partners around the world to foster global climate action, in addition to his main task of leading the domestic implementation of the Green Deal. The EU's climate diplomacy approach centres on leading by example which justifies its approach in entrusting one individual with the dual responsibilities of raising domestic climate action and advocating for enhanced global ambition. The feasibility of effectively managing such a complex and extensive undertaking by a single person remains a question. The perception among outsiders was that Timmermans initially focused primarily on the implementation of domestic climate legislation, so that the external dimension of the Green Deal receded into the background. If both tasks are carried out by one person, as is currently the case, it is advisable to adjust expand mandates and powers accordingly to allow to balanced engagement. If a division of tasks is envisaged, such as between EVP Timmermans and HP/VP Borrell, care should be taken to ensure that climate remains high on the agenda for both positions.

### **Ambitious foreign climate policy strategy**

As described in the chapter on Common Vision, there are several EU strategy documents that refer to its climate diplomacy efforts. However, the Council conclusions on climate diplomacy can be considered to be the core of EU strategy, as they outline the EU's position and priorities on climate change in its external relations. The council has regularly adopted such conclusions since 2011, and annually since 2017. These conclusions are usually released at the beginning of a year to outline priorities in multilateral and bilateral relations. Their strength lies in the fact that they are published regularly, serve as a guideline, and transparently show how the EU intends to respond strategically to current events.

Although the FAC, which is made up of foreign ministers from EU member states, ultimately adopts conclusions, the drafting process is complex and iterative and includes input from multiple actors, both at the Member State and EU level. Principle actors involved in the process of drafting include the EEAS and the Commission through relevant DGs, such as DG CLIMA as well as other RELEX DGs.

From the first version of the FAC's climate diplomacy conclusions in 2011 to the latest version of the conclusions adopted in March 2023, the substantive focus and structure, as well as the level of detail, has constantly evolved. While the 2011 version was two pages long and contained 6 points, the latest 2023 version contains 44 points summarised in 18 pages. The 2011 climate diplomacy conclusions were correspondingly more general and focused mainly on the climate security nexus, considering climate change a global challenge that acts as a threat multiplier exacerbating tensions over land, water, food and energy prices (Council of the European Union, 2011). Since 2018, the climate

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The terms "climate envoy" and "climate ambassador" are often used interchangeably and there is no widely accepted distinction between the two.

Generally, a climate envoy is a senior official or high-level politician appointed to represent a government in international climate negotiations. A climate ambassador, on the other hand, is typically an ambassador-level civil servant appointed to represent their government in a specific country or issue.

diplomacy conclusions have been more action-oriented and concrete, aspects that constitute a strategy in this field. The 2018 version of the climate diplomacy conclusions also for the first time clearly highlighted the interactions between climate policy and other important foreign policy fields such as international trade and investment as well as development cooperation and underscored the importance of collaborating both bilaterally and multilaterally to advance the complementary relationship between trade and climate policies (Council of the European Union, 2018). The 2021 version, like the 2023 version, was renamed the Council conclusions on climate and energy diplomacy. It set as its key objective the achievement of the external dimension of the European Green Deal and called for a phase-out of the unabated use of coal in energy production and an end to the financing of new fossil fuel inxxg climate diplomacy priorities through council conclusions for more than a decade is a positive development. The same applies to the trend of the documents becoming more specific and detailed compared to the earlier versions. To further increase the effectiveness and reach of these strategy documents, the following measures are recommendable, some of which have even been identified (e.g., in Council conclusions) but not yet put into practice:

- Climate diplomacy conclusions can and should identify more concrete actions as well as the institutions responsible for implementation. This has been acknowledged, as the 2020 climate diplomacy conclusions call for the High Representative, the Commission and the Member States to work towards a more strategic approach that identifies concrete, operational ways forward to achieve aims outlined in the conclusions (Council of the European Union, 2020). According to the conclusion text, this should have been achieved by mid-2020, although it is not clear whether or to what extent this was implemented (see next point).
- Currently, there seems to be a lack of a clear monitoring process with regard to whether or not the EU achieves the stated objectives. Therefore, a monitoring mechanism should be introduced that allows the achievement of goals to be evaluated. This has been recognised, as the 2022 climate diplomacy conclusions announced that the Council, jointly with the High-Representative and the Commission would work on the follow-up and monitoring, through regular stocktaking, and joint analyses and actions on the implementation of these conclusions to enhance the impact of the EU's climate diplomacy (Council of the European Union, 2022b). On the basis of publicly available information, it is unclear whether a corresponding monitoring process was initiative or if it remained as an announcement.

- Ultimately, the goals and statements from the climate diplomacy conclusions should be incorporated into other important EU strategy documents. This includes, for example, the Commission's annual work programme, which, in its 2023 version, contains no reference to foreign climate policy in the relevant areas such as the priority working area of A stronger Europe in the World, currently led by HP/VP Borrell or An Economy that Works for People, currently led by VP Dombrovskis, while focusing only on domestic climate policy in the European Green Deal section (European Commission, 2023a).

It is also important to mention that there are a number of other strategic documents that shape EU climate diplomacy (**as can be observed in → Figure 1**). Various Council configurations publish annual conclusions directly and indirectly related to climate diplomacy which outline core climate commitments across external policy, highlight negotiation priorities, and centre the EU's leadership ambitions. The Environment Council Configuration (ENVI), for instance, regularly adopts conclusions that focus on the UNFCCC negotiations which are usually released shortly before the annual Conference of the Parties (COP). ECOFIN, the Economic and Financial Affairs Council, adapts conclusions that focus, inter alia, on outlining EU's priorities on international climate finance and address issues such as sustainable finance and climate mainstreaming in economic policy.

To ensure that these conclusions, which all have a rather short time horizon of approximately one year, follow a medium- to long-term path, the EU would benefit from an all-encompassing and longer-term strategy on climate diplomacy.

### **Sufficient resources**

Relevant EU institutions are lacking adequate resources to effectively implement their mandate in climate diplomacy. This is particularly evident in the EEAS, the EU's diplomatic service, which houses the Climate Diplomacy Unit, headed by the EU Ambassador at Large for Climate Diplomacy. The location of the Climate Diplomacy Unit in the EEAS has many strategic advantages. It is located at the interface between the various climate diplomacy actors in Brussels and the EU delegations and Member States' embassies around the world. As an EU service at the interface of the Commission, the Council and the Member States, it can also contribute to improved coordination between these institutions. However, the EEAS's resources for climate diplomacy in its first ten years of existence seems highly insufficient given the pressing climate challenge and considering its official mandate. Some of its responsibilities include (Biedenkopf and Petri, 2021):

- Integrating climate aspects into the EU's foreign policy;
- Collaborating with relevant Commission DGs to coordinate and plan programming activities with third countries and ensuring consistent Ambassador Network (CAN), an informal network of Member States' climate ambassadors;
- Overseeing the Green Diplomacy Network (GDN), which is a casual network of officials from Member States Foreign Ministries, the Commission, and the EEAS, that seeks to support developing and coordinating joint climate diplomacy activities and strategies.

Apart from these more general tasks, the EEAS climate diplomacy unit (HCA01) also oversees coordination of the JETP with Viet Nam and represent the EU in the International Partner Group (IPG) for the other JETPs. In addition, the EEAS, together with the United States of America, was instrumental in bringing about the Global Methane Pledge, which was launched at COP26.

Since its creation, this unit has never had more than five staff members, which makes the fulfilment of its mandate and the afore-mentioned tasks and activities seem almost impossible (Biedenkopf and Petri, 2021; Tänzler et al., 2021). Moreover, the Ambassador at Large for Climate Diplomacy does not manage the financial instruments available at the Commission level, which are mostly available to DG INTPA or DG NEAR. Also, in the more than 140 EU Delegations, resources and capacities for climate-issues seem to be lacking. Interviews conducted as part of this assignment suggest that although all major EU Delegations should have a designated climate focal point, this is only the case in the vast minority representations.

The European Parliament's 2018 resolution on climate diplomacy also identified capacity as an issue and specifically addresses the role of EU Delegations. The report proposes increasing human and financial resources in the EEAS and the Commission to reflect the EU's strong commitment to climate diplomacy. It also emphasises the inclusion of climate diplomacy in the agendas of EU Delegations and the need to give strategic importance to this effort in all EU Delegations with Member States' representations in third countries. Further it calls for the inclusion of a focal point on climate change in key EU Delegations as well as a higher coverage of climate experts when creating mixed posts in EU Delegations (European Parliament, 2018c).

To further mainstream climate into foreign policy, it is important to build climate expertise in all relevant EU institutions, in particular the so-called RELEX DGs, which deal with external relations, and which include, inter alia, DG TRADE, DG

INTPA, or DG NEAR. Several studies as well as statements from interviewees suggest that other EU institutions that play a key role in the EU's foreign climate policy, such as the RELEX DGs, similarly lack skilled resources and capacities on climate-related questions (Tänzler et al., 2021). This is, for instance, the case among EU's trade officials (DG TRADE), which seem to be less familiar with the EU's climate diplomacy goals (Velasco and Peters, 2022). One example of this is that DG Trade outsources the preparation of environmental impact assessments in FTAs to third parties, often outside the EU institutions, because it lacks the capacity in-house.<sup>4</sup>

To effectively address the EU's commitment to integrate climate action as a pivotal component of its foreign policy, it is imperative to augment the budgetary allocations and capabilities of significant EU institutions.

### **Independent review and feedback mechanism**

The EU Climate Law established a "European Scientific Advisory Board on Climate Change" (EUBCC). Its mandate is to provide independent scientific advice on the consistency of proposed and existing EU measures with the Climate Law and the Paris Agreement, and to identify needed actions and opportunities to achieve the climate targets. The EUBCC is composed of 15 independent scientists who are appointed for a three-year term, and who have expertise in areas such as climate science, ecology, economics, and social sciences. The members of the EUBCC are expected to have a proactive role in fulfilling their mandate, which is essential given the importance of the advice they will provide in achieving the EU's climate targets (Bechtel, 2021).

<sup>4</sup>  
Insight provided by  
interviewee.

This means that the EUBCC is meant to play an important role in ensuring that the EU's climate policies and actions are based on the best available science. The EUBCC is expected to participate in all five climate mainstreaming assessments required by the Climate Law, which include reviewing relevant EU legislation, assessing new policy measures' consistency with the 2030 target and progress on adaptation, and evaluating the consistency of all EU measures and collective progress of all Member States towards climate neutrality (Bechtel, 2021).

Given the number of legislations and the relatively small number of members in the EUBCC, all of whom are engaged in other activities, the degree to which all legislation can thoroughly be assessed for consistency is questionable. Moreover, it is not evident that the EUBCC pays particular attention to verifying the alignment of all international initiatives and actions with the Paris Agreement.

## **Multi-stakeholder dialogue**

Multi-stakeholder consultations are important for ensuring a diverse range of perspectives and expertise are considered in the planning and implementation of policies as well as for increasing transparency and accountability. A successful multi-stakeholder consultation process can help to increase stakeholder buy-in and support for climate action.

The EU is committed to engaging with a range of stakeholders in its foreign climate policy planning and implementation processes. This includes conducting multi-stakeholder consultations to gather input and feedback from civil society organisations, industry representatives, academics, and other stakeholders.

The EU has established various mechanisms and platforms to facilitate such consultations, including stakeholder dialogues, public consultations, and advisory groups. For example, the EU's High-Level Panel on Decarbonisation Pathways provides a platform for engagement and consultation with stakeholders on the development of the EU's long-term climate strategy with representatives from academia, business, and society in the panel (PIK, 2016). One of the instances where the EU encourages stakeholder coordination and consultation at the regional level is through initiatives like the EUROCLIMA+ program, the EU's flagship cooperation programme on environmental sustainability and climate change with the Latin American region (EUROCLIMA+, no date).

Moreover, the EU has made efforts to ensure transparency and accountability in its climate policy processes by regularly publishing progress reports, inviting feedback from stakeholders, and engaging in dialogue with civil society organisations. A recent example for this is the public consultation process that the EU launched in April 2023 to gather opinions on its intermediary climate target for 2040, which sets a path to reach net-zero emissions by 2050. The consultation aims to create a predictable environment to guide investment and political decisions and engage and empower all stakeholders to have their say. The results of the consultation will be analysed and summarised as part of a detailed impact assessment report and will be fed into the process of defining the EU's 2040 climate target (European Commission, 2023b).

The EU's approach to multi-stakeholder consultations could, however, be applied more specifically to the issues of climate diplomacy and foreign climate policy. Should an overarching vision for EU climate diplomacy be developed in the future (see recommendation under Common vision), this process should, for instance, be accompanied by a comprehensive multi-stakeholder consultation process. In general, the EU's consultation processes can be further improved by ensuring early stakeholder engagement, improving transparency and com-

munication, providing sufficient time for consultation in the policy-making process, and providing feedback on how stakeholder input has been considered in decision-making.

### **Clear and transparent communication**

The distribution of roles regarding foreign climate policy within the EU institutions is often unclear, leading to confusion among actors outside but sometimes even within the EU institutions. This lack of clarity can also make it difficult for representatives of foreign governments and other external actors to identify the appropriate contact partner within the EU. In fact, some interviewees noted that representatives of individual Member States are approached when aiming to engage with the EU.

This ambiguity surrounding the distribution of roles and responsibilities can have significant implications for the effectiveness of the EU's foreign climate policy. It may result in a lack of cohesion and coordination among Member States, as well as confusion among external actors seeking to engage with the EU on climate-related issues. Therefore, it is essential for the EU to establish clear and transparent mechanisms for coordinating its foreign climate policy and identifying appropriate contact points.

The Team Europe approach, originally launched in the context of the COVID-19 pandemic and later extended to other thematic areas, can also be applied to other areas and thus lead to presenting a unified image to the outside world. It will be important that Team Europe is not only perceived as a coordination mechanism but is also used in the field of communication in a way that increases the visibility of the EU and thus its image.






**Table 3**  
**Summary analysis: Strong governance**



Characteristic	Current landscape	Assessment	Recommendation
<b>Clear roles and responsibilities</b>	Responsibilities for climate diplomacy in the EU are not always clear: EVP Timmermans is not only responsible for climate protection at home, but also takes on the role of a climate envoy. Borrell, who at least according to his mandate and in view of the institutions assigned to him should play an important role for foreign climate policy, does not recognisably put climate high on his agenda. In 2019, the post of an Ambassador at Large was created in the EEAS, although the position has remained vacant since March 2023 until probably late summer 2023.	➡	<ul style="list-style-type: none"> <li>- <b>Ensure high-level leadership:</b> Climate diplomacy must be anchored at the highest level</li> <li>- <b>Prioritisation of climate diplomacy:</b> Climate competences should be expanded in relevant EUI, in particular the RELEX DGs and EU bodies.</li> <li>- <b>Coordination:</b> Improve coordination of all climate-relevant issues within the EUI, in particular the RELEX DGs.</li> </ul>
<b>Ambitious foreign climate policy strategy</b>	Since 2011, the EU has regularly adopted Council conclusions on climate diplomacy, setting out its position and priorities on climate change in its external relations. While the regular publication of these conclusions provides transparent guidance on how the EU intends to respond strategically to climate issues, it hardly describes concrete actions for individual actors. Moreover, there is no clear monitoring process for the achievement of previously defined goals. Key points from the Conclusions are only reflected to a limited extent, if at all in important policy guidance documents such as the Commission's annual work programme.	↗	<ul style="list-style-type: none"> <li>- Translate strategic goals into <b>concrete actions</b> and responsibilities.</li> <li>- Establish <b>processes for monitoring</b> the achievement of previously defined targets.</li> <li>- Ensuring that <b>major points of actions</b> coming out of these Council conclusions are <b>being considered in other strategic guidance documents</b>, such as the annual work program of the Commission.</li> </ul>
<b>Sufficient resources</b>	Important EU institutions have very limited resources and capacity to fulfil their climate diplomacy mandate. This is particularly true for the EEAS, both at headquarters, where the Ambassador for Climate Change and their team lack resources, and in the EU Delegations, where only a minority have a climate change focal point. Other key DGs, such as DG TRADE, also lack the resources to adequately address climate issues.	↘	<ul style="list-style-type: none"> <li>- <b>Develop speaking points</b> on long term objectives of EU climate diplomacy for officials.</li> <li>- <b>Expand language offering</b> of EU documents to include non-EU languages (e.g., Mandarin, Russian, Arabic).</li> </ul>



Characteristic	Current landscape	Assessment	Recommendation
<b>Independent review and feedback mechanism</b>	The European Scientific Advisory Council on Climate Change (EUBCC), established by the EU Climate Law is to examine the compatibility of proposed and existing EU measures with the Climate Law and the PA and propose improvements if necessary. The Council's focus is on domestic legislation and should, ideally, be expanded to include the international dimension. Given its size and extensive mandate, however, it is questionable whether it is feasible to consider both dimensions.		<b>Expanding the capacity and mandate of such an advisory board</b> to include the international dimensions of implementing the European Green Deal. Its deliberations should be transparent and published.
<b>Multi-stakeholder dialogue</b>	While there is room for improvement, the EU has demonstrated a commitment to multi-stakeholder consultations in its decision-making processes. In the field of climate action, the recent public consultation process for the EU's intermediary climate target for 2040 is an example of these efforts. However, stakeholder engagement, especially in the EU's climate diplomacy, could still be developed further.		<b>Extend stakeholder engagement and consultation to EU climate diplomacy</b> and foreign climate policy.
<b>Clear and transparent communication</b>	A lack of clarity in terms of understanding the EU's governance structure around foreign climate policy has been reported by actors, both within the EU institutions and, even more so, from partner countries.		Establish <b>clear and transparent governance structures</b> around the EU's climate diplomacy by strengthening the Team Europe approach.

### 3.3 Impactful international engagement

#### Mobilising its fair share of international climate finance<sup>5</sup>

The Paris Agreement emphasises the responsibility of developed countries to provide climate finance to developing countries. However, the current climate finance goal of USD 100 billion per year remains unmet, creating a donor credibility crisis that undermines climate diplomacy efforts (OECD, 2022). For its part, the EU and its Member States are the largest net contributors to international public climate finance, providing over EUR 23 billion in 2021 (Council of the European Union, 2022a). Since 2013, their international climate finance contributions have doubled, amounting to 0.16 percent of the EU's GDP in 2021<sup>6</sup> (Council of the European Union, 2021b). Despite this positive trend, the EU's current and pledged future spending on international climate finance falls short of what is considered their fair share, given their historical responsibility and economic strength (Climate Action Tracker, 2022). Civil society actors estimate that the EU's fair share should have been between USD 33-36 billion in 2018 (Hattle et al., 2021)<sup>7</sup>. To maintain credibility, the EU should scale its climate finance to align with its fair share and urge other donors to step up commitments to ensure the USD 100 billion goal is met in 2023 and the New Collective Quantified Goal (NCQG) is responsive to the priorities and needs of developing countries. One possible mechanism to help the EU reaching its fair share is, in line with calls from the Parliament, to direct revenue generated from ETS auctions to vulnerable third countries (European Parliament, 2022d).

#### Climate finance in the MFF 2021-2027 and NGEU

To support the financing of climate action, the EU integrates climate mainstreaming into its budget by setting an overall 30 percent climate spending target for the Multiannual Financial Framework (MFF) 2021-2027 and the NextGeneration EU (NGEU) stimulus package. The EU's current budget planning, which includes both domestic and external funding, estimates that it will channel EUR 557 billion towards climate action during this period (European Commission, no date b). The majority of the EU's external finance is allocated to developing countries under the MFF Heading 6: Neighbourhood and the World. The MFF 2021-2027 established the Neighbourhood, Development, and International Cooperation Instrument (NDICI) -Global Europe, which streamlines external funding under one instrument with a budget of EUR 79.5 billion. NDICI-Global Europe has a climate-related spending target of 35 percent (European Commission, 2021f). The allocation of climate funds through budget cycles provides funding security to recipients, but it also imposes a structural limitation on the EU's ability to respond swiftly to calls for increased financing at COPs.

<sup>5</sup> In Copenhagen in 2009, developed countries committed to jointly mobilise USD 100 billion a year by 2020 to address the needs of developing countries. However, the climate accords rely on pledging and do not include any formulae for determining how responsibility for this target should be apportioned among developed countries. This makes it difficult to hold individual countries to account. There are different approaches to determine the fair share. Some of the measures used include gross national income, cumulative carbon dioxide emissions and population. (ODI, 2021).

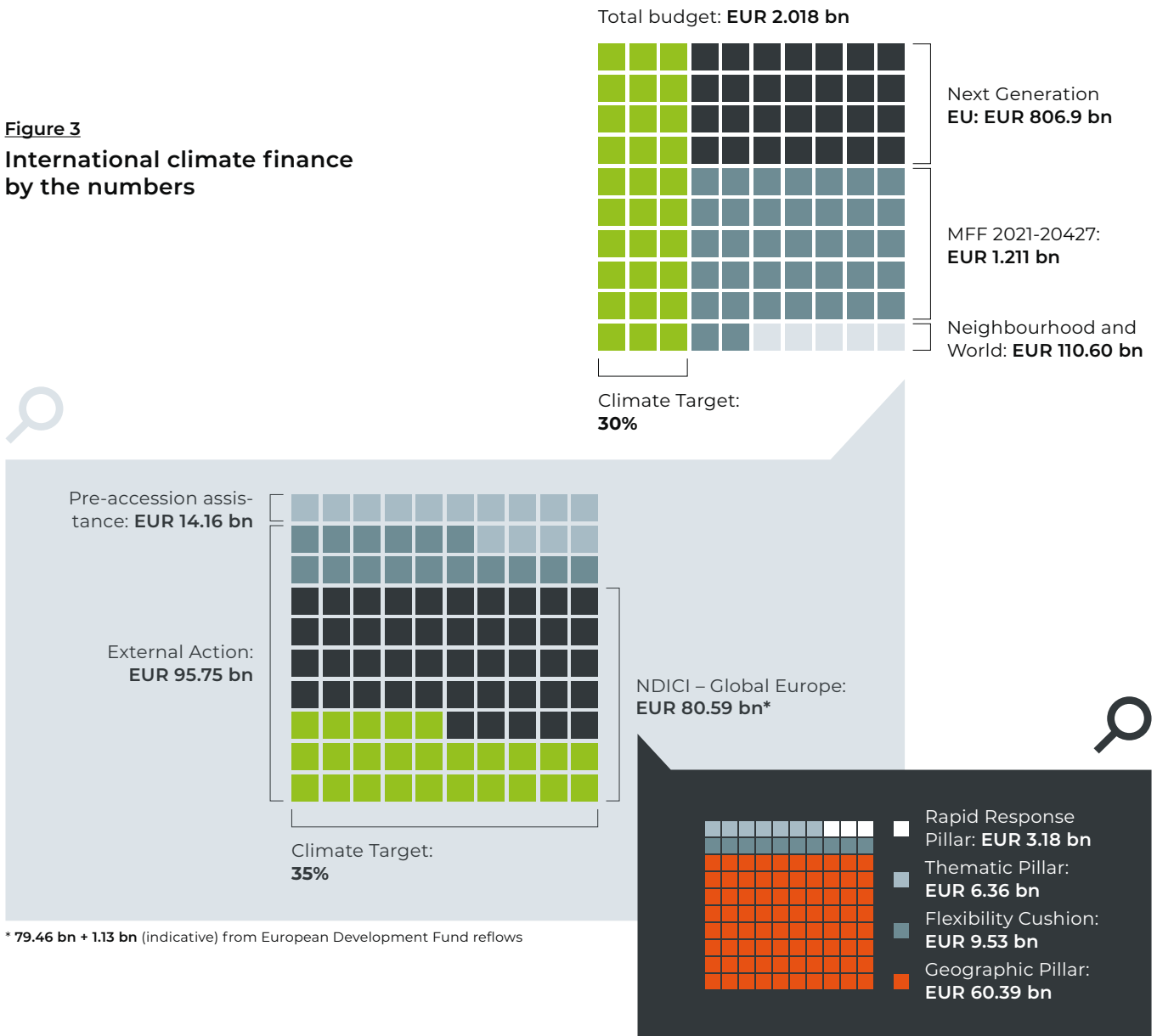
<sup>6</sup> Own calculation using data from EU Facts and Figures (Eurostat, 2023).

<sup>7</sup> 2018 estimate includes UK.

### Private finance mobilisation

Considering that the finance gap cannot be bridged with public funds alone, the EU and its Member States aim to mobilise significant private finance. The NDICI-Global Europe seeks to leverage public funds to raise additional development finance through the External Investment Plan (EIP), which includes the European Fund for Sustainable Development (EFSD+) and the External Action Guarantee. The NDICI-Global Europe channels funding from its geographic pillar into the EIP, with a 35 percent climate spending target and the goal of mobilising an estimated EUR 500 billion (→ Figure 3). However, some sceptics

**Figure 3**  
International climate finance  
by the numbers



Source: Produced by authors based on EU figures (European Commission, 2021f)

have raised questions about the assumptions underlying the EU's leverage ratio for catalysing private investment. They note that country context, project type, and economic climate could impact meeting the mobilisation target (Sial and Sol, 2022). Failure to mobilise the announced finance could undermine climate diplomacy efforts. Therefore, in line with calls from the Parliament, the EU should transparently indicate the leverage assumptions behind its investments to manage expectations from recipients and provide stability to private investors (European Parliament, 2021b).

### **International public finance aligned with the objectives of the Paris Agreement**

A budget classification system is a necessary requirement to evaluate whether international public finance is aligned with the objectives of the Paris Agreement. The EU uses modified OECD markers to track climate and biodiversity spending across all public funds (François et al., 2022). In conjuncture with the MFF 2021-2027, the EU updated its International Cooperations and Development Results Framework (EURF) to monitor the implementation of strategic priorities, including climate-related spending (European Commission, 2022c). Additionally, the EU developed a performance monitoring system – the Global Europe Performance Monitoring System (GEPMS) – to track identified priorities across external NDICI-Global Europe expenditures. The GEPMS includes a framework of time-bound indicators to measure and promote accountability (the Global Europe Results Framework (GERF)), explanations for how EU-funded interventions are intended to impact change, and a monitoring system that assesses the performance of interventions. While the EURF and GEPMS provide a strong basis for tracking climate action and its impact, they do not monitor the compatibility of external finance with the Paris Agreement or compliance with the EU's green oath to “do not significant harm”. Further guidance should be provided on the application of the do no harm principle to external climate finance. Inspiration could be drawn from technical guidance from the Commission on the application of the principle to the Recovery and Resilience Facility Regulation (European Commission, 2021a).

The EU has launched several initiatives to align its finance with the Paris Agreement. In 2019, President of the Commission, Ursula von der Leyen, proposed to transform the European Investment Bank (EIB) into Europe's “climate bank” by doubling its climate investments by 2025 (von der Leyen, 2020). EIB introduced its Path Framework to ensure financed projects are Paris-aligned and support borrowers in decarbonising their business portfolio. However, in response to the energy crisis, the EIB Group suspended its Path Framework until 2027 for all renewable energy projects and electric vehicle charging infrastructure. This decision enables energy companies, which contribute significantly to

GHG emissions, to access funding without presenting credible plans to reduce emissions in the medium- to long-term (Fossil Free EIB, 2022). It is crucial the EIB reconsiders exempting energy companies from the Path Framework and ensures that finance supports firms with serious plans to decarbonise.

Further commitments to align finance with the Paris Agreement include the EU's endorsement of the Glasgow Climate Pact to phase out unabated coal power and inefficient fossil-fuel subsidies (UNFCCC, 2021), and its 2022 Council conclusions which call for OECD negotiations to end export credits for the fossil fuel energy sector. Despite committing to end export credits for fossil fuels, the EU fails to provide a deadline for Member States to end export credits. Instead, it gives them until the end of 2023 to set their own "science-based deadlines" (Council of the European Union, 2022c). It is promising that the 2023 FAC conclusions on Climate and Energy Diplomacy amplify calls for the global phase-out of fossil fuel (Council of the European Union, 2023a). However, the EU must lead by example and act to ensure finance is aligned with the urgency outlined in Paris objectives.

Although the EU has taken steps to align its finance, evidence suggests that the EU has not consistently aligned its international climate finance with Paris Agreement targets. In response to the energy crisis, the EU and its Member States have sought to diversify their energy supply through securing new fossil gas supplies and developing new gas infrastructure in different regions of the world, including Africa. However, there has been significant opposition to this approach, especially when these initiatives are to be financed from public sources, as they could result in additional emissions locked in for decades to come (CCPI, 2023). Therefore, public funds should only be used for the implementation of renewable energy, energy saving practices, and climate resilience measures. It is important that the EU ensures that its current contingency measures and diversification strategy do not hamper global long-term decarbonisation goals or send mixed signals.

### **Mobilise all relevant foreign policy channels to support and accelerate the global transformation**

The European Green Deal was a catalyst in expanding the significance of climate diplomacy outside of the UNFCCC into broader foreign policy. It sets the ambition to mobilise all diplomatic channels and highlights international cooperation and partnership policy, security policy, and trade policy as important facilitators. DG INTPA notes that the Green Deal's success is dependent "above all on our [the EU's] success in mainstreaming sustainability coherently across all our [EU] policies" (European Commission, 2021d, p. 10). Although the EU communicates an ambition to mainstream climate, according to interviewees, not all foreign policy channels have meaningfully integrated climate

considerations. The EU must move from emphasising climate mainstreaming in the narrative to integrating and implementing climate considerations into all aspects of its foreign policy.

Since 2011, the EU highlights climate change as a “threat multiplier” and urged its consideration in security policy. The 2016 EU Global Strategy for Foreign and Security Policy presents an integrated approach to security and climate and promotes policies that enhance energy and environmental resilience, including the development of renewables, energy liberalisation, better regulation, and technology transfers (EEAS, 2016). Notably, it connects security policy to increasing climate finance and promoting climate in multilateral fora.

Development policy is another area where the EU works to mainstream climate. The European Consensus on Development commits the EU and its Member States to integrate climate change mitigation and adaptation throughout their development cooperation strategies and to implement the 2030 Agenda and Paris Agreement jointly (The Council of the European Union, 2017). While DG INTPA works under multiple development mandates, insiders note that the DG is more receptive to climate than in the past. Its 2021-2024 Strategic Plan highlights climate change, environment, and energy as a central pillar of action (DG DEVCO, 2020).

Trade policy is highlighted in the Green Deal as crucial in facilitating the materials needed for Europe's green transition and engaging partners on climate action (European Commission, 2019a). Access to the European single market is one of the EU's most prominent soft powers. Increasingly, the EU is undergoing a paradigm shift towards an understanding of trade as a vehicle to address non-commercial issues and advance EU priorities. This is highlighted in the Commission's 2021 Trade Policy Review which notes that the EU needs a new trade strategy that “support[s] achieving its domestic and external policy objectives and promote[s] greater sustainability...” and that trade policy should “unequivocally support the Green Deal in all its dimensions” (European Commission, 2021g, p. 1). The EU integrates climate objectives into trade through several channels: multilateral cooperation, bilateral and plurilateral partnerships, and unilateral policies with extraterritorial impact.

At the multilateral level, the EU engages at the World Trade Organisation (WTO) to enhance and shape sustainable trade policies globally. The Commission outlines reforming the WTO to reflect present trade realities as a core medium-term objective. It actively engages in mainstreaming sustainability issues in WTO committees including the Committee on Trade and Environment (CTE) and has been leading efforts in the Trade and Environmental Sustainability Structured Discussions (TESSD) (European Commission, 2022a). To further engagement on the climate-trade nexus and engage with likeminded countries on a strong environmental agenda at the WTO, the EU jointly launched the Coalition of

Trade Ministers on Climate in 2022 (European Commission, 2023f). The initiative so far consists of more than 50 ministers from 27 jurisdictions.

At the bilateral and plurilateral level, the EU engages through free trade agreements (FTAs). Recent EU FTAs include the requirement for trade partners to ratify and make continuous effort towards the effective implementation of the Paris Agreement. In 2022, the EU introduced the possibility to apply trade sanction for breaches of the Paris Agreement, making the Agreement an essential element of future FTAs, at least in principle (European Commission, 2022j). Through its inclusion, the EU aims to bind trade partners to submit more ambitious climate goals and get rid of the voluntary notion of the Paris Agreement. The 2022 EU-New Zealand FTA was the first to bind parties to commitments to “refrain from any action or omission which materially defeats the object and purpose of the Paris Agreement” (European Commission, 2022j, p. 395). While the EU-NZ FTA sets a precedent for Trade and Sustainable Development (TSD) chapters, interviewees noted that the climate ambition of the FTA was largely driven by New Zealand. The climate ambition of future FTAs largely depends on partners willingness to engage. Reference to the Paris Agreement in TSD chapters alone cannot ensure FTAs support climate objectives as environmental provisions lack enforcement. For instance, the proposed EU-Mercosur FTA has been criticised by CSOs as threatening to exacerbate deforestation and further erode indigenous rights with limited safeguards. With rumours that the 2023 Spanish Council Presidency will push to ratify the trade deal, it is imperative the EU includes strong commitments to binding sustainability criteria to prevent deforestation. Environmental considerations should be included in trade negotiations from the start. Therefore, it is important to increase climate competencies within DG Trade and get environmentalists on board.

To address trade that falls outside of FTAs, the EU pursues initiatives to promote sustainable world trade in line with EU values (e.g., on labour and the environment). One avenue it utilises is unilateral regulation with extraterritorial impact which restricts access to the single market to imports which abide by EU values. Take, for instance, regulation on deforestation-free supply chains which aims to minimise forest degradation resulting from EU consumption and production (European Commission, 2021e). Another example is the Corporate Sustainability and Due Diligence Directive which ensures EU businesses address the environmental impact of their operations, both inside and outside of Europe (European Commission, 2022g). The Carbon Border Adjustment Mechanism (CBAM) is another upcoming channel the EU aims to utilise to promote sustainability. CBAM discourages carbon leakage by applying a cost to high-carbon production in specific sectors. While exports from the majority of developing economies are minimally impacted by CBAM, supporting impacted developing countries to decarbonise will be crucial to an equitable global transition (Magacho et al., 2022). The EU should address the external impact of domestic

environmental and climate policies to build trust among partners and respond to concerns. In the case of CBAM, the EU could implement the Parliament's proposal to redistribute a percentage of CBAM toward decarbonisation activities in Least Developed Countries and Small Island Developing States (European Parliament, 2021a). As the world's largest trading block, the EU is in a unique position to leverage its weight to encourage but also support partners in raising environmental ambition in trade policies.

### **Coordination and alignment of climate-related international action**

Mainstreaming climate into all diplomatic channels implies tight coordination and presents challenges in timing and communication of activities both within and between EU institutions and Member States. In 2019, the High-Level Group of Wise Persons (Wieser et al., 2019) reported that EU external action was fragmented and coordination structures for climate and development finance were insufficient. Since the Wise Persons' findings, the EU has acted to strengthen its coordination of climate diplomacy and established new formal channels and informal coalitions.

At the multilateral level, coordination is crucial to advance the EU's strategic interests and speak with a united voice. The EU engages both as a member and observer in several multilateral fora but is limited as it does not exert full competence over all foreign policy areas. While the EU is a member of the WTO and G20, it is reliant on Member States (and the EIB in the IMF) to pursue its shared interests in other fora (e.g., the OECD and IMO). The Green Deal calls for coordination between EU institutions and Member States to mainstream climate into multilateral and bilateral fora. For the UNFCCC, the EU maintains a robust coordination apparatus to coordinate positions before and during negotiations. However, interview partners note that similar coordination structures are absent for other multilateral fora where efforts to mainstream climate are more nascent. Coordination and consensus sometimes break down so that it is no longer possible to speak with one voice. For instance, at the International Maritime Organisation (IMO), ambition between Member States varies starkly with Germany, the Netherlands, and Belgium more ambitious and Cyprus, Malta, and Greece exhibiting low ambition.

In response to the call for more coordination and information exchange, informal coalitions of the willing and ambitious have formed to strengthen and align climate diplomacy efforts. At the high-level, the Climate Ambassador Network, a bi-weekly exchange organised by the EEAS Climate Ambassador, gives the EU direct insight into Member State diplomacy efforts, and allows for strategic planning and exchange. Another informal channel is the Green Diplomacy Network which is an exchange forum within Brussels (Biedenkopf and Petri, 2021). In addition, Member States established initiatives like the



Group of Friends of Climate Diplomacy Coalition to enhance coordination and climate mainstreaming in foreign policy (German Federal Foreign Office, 2022). Informal channels serve to compliment formal partnership initiatives and are largely driven by ambitious States.

The von der Leyen Commission established two new channels to address fragmentation and coordinate international cooperation policy: the “Team Europe” approach and the “Global Gateway”. The Team Europe approach was originally developed to coordinate the EU and EU Member States’ response to the COVID-19 Pandemic but expanded to coordinate joint external action. The approach promotes combining resources and expertise and aims to foster strategic response to partners’ priorities in line with EU values and interests. Since its inception, there have been over 130 country Team Europe Initiatives (TEIs), of which 72 percent address Green Deal priorities – the EU participates in over 98 percent (Capacity4dev, 2023). Team Europe has generated buy-in from an impressive range of Member States and national development finance funds and represents a positive step towards coordinating EU international cooperation.

The Global Gateway, which will be delivered through TEIs, is meant to signal a geostrategic paradigm shift in partnership engagement and represents the Commission taking a step to strategically coordinate EU external action under a value-driven vision. However, the strategy has been criticised by CSOs for not bringing new money to the table, a slow roll out, and lack of transparent decision making (Sial and Sol, 2022) but it is picking up speed (Moens, 2023). So far, the strategy predominately engages development cooperation stakeholders. However, to achieve the geostrategic goals behind the initiative, and mobilise private capital, the EU should expand its approach to include all relevant levers of foreign policy (Bilal, 2022). Further clarification should be provided on the interlinkages between Green Deal ambitions (e.g., secure value chains, renewable energy, and digitisation) and foreign policy priorities.

### **Supporting transformative and impactful international initiatives**

The EU’s political capital and economic strength make it an important instigator and signatory of international climate initiatives. It has committed to a number of initiatives, including the Glasgow Breakthrough Agenda to accelerate the development and equitable deployment of clean technologies (COP26 Presidency, 2021), and will likely push for the global phaseout of unabated fossil fuels at COP28 in Dubai (Council of the European Union, 2023a). The EU’s Climate Diplomacy Ambassador was instrumental in the launch of the Global Methane Pledge to cut emissions by at least 30 percent from 2020 levels by 2030 (European Commission, 2023c). However, the EU is not a signatory of several international initiatives because (1) it does not maintain competence over all

aspects of foreign policy and, therefore, does not have the authority to sign on Member States behalf, and (2) consensus between Member States is at times lacking. This limitation means that policy coordination between Member States is crucial to move forwards joint objectives. Notably, the EU is not a member of the Accelerating to Zero Coalition aimed at making all new car sales zero emission by 2035 in leading markets. In 2023, the EU finalised legislation to require the sale of zero emission vehicles from 2035<sup>8</sup> (Council of the European Union, 2023b), therefore it should promote and lead in global efforts to decarbonise transportation at multilateral fora. → **Figure 4** compiles initiatives from the 2021 and 2022 COPs to show which initiatives the EU signed and which it did not. While international initiatives can be beneficial in building coalitions, initiative fatigue can lead to a lack of focus and implementation. Signed initiatives should be met with ambition and, considering limited capacities, the EU should prioritise the implementation of the most impactful initiatives.

The EU is a member of the International Partners Group (IPG) which champions Just Energy Transition Partnership (JETPs). The IPG pioneered the JETP model at the COP26 Summit in Glasgow with the launch of the first USD 8.5 billion partnership with South Africa (International Partners Group, 2021). The EU is a partner in the USD 20 billion JETP announced with Indonesia (European Commission, 2022i) and co-leading the USD 15.5 billion partnership with Viet Nam (European Commission, 2022f). Additional JETPs in Senegal and India are under discussion, and Egypt, Kenya, Morocco, and Côte d'Ivoire are potential future candidates (French Council Presidency, 2022).

JETPs represent an opportunity to extend targeted climate finance to promote equitable transitions, but the EU should reject the use of international public finance to develop gas infrastructure which risks locking in emissions, stranding assets, and redirecting funds that could be invested in renewables. CSOs have criticised JETP negotiations as untransparent and not sufficiently inclusive, and expressed concerns that only a small share of the finance is provided in grants which predominately fund action to address the impact of the transition on communities (Hadley, 2022). The EU should contribute to ensuring negotiations are participatory and transparent and adequately address the impact of transition of affected communities.

The finance pledged under JETPs represents a fraction of the finance needed to transition countries' energy sectors. Therefore, to unlock the scale of finance needed to facilitate just transitions, the EU should support efforts to reform the global financial system to unlock more climate finance and alleviate fiscal pressure on debt distressed countries. Collectively, the EU and Member States hold significant membership share in Bretton Wood Institutions. The EU should use its influence to push for and support reforming the global financial architecture as this would be a significant step towards addressing the climate finance gap.

<sup>8</sup> The legislation to ban internal combustion engines was derailed at the last minute by a group of Member States lead by Germany who refused to support the legislation without an exception for combustion engines running on synthetic fuels (e-fuels).

**Figure 4**  
**International climate initiatives supported**

Initiative	Endorsement
<b>COP26</b> Glasgow Leaders' Declaration on Forests and Land Use	✓
<b>COP26</b> Global Forest Finance Pledge	✓
<b>COP26</b> Congo Basin Joint Donor Statement	✓
<b>COP26</b> IPLC Forest Tenure Joint Donor Statement	✗
<b>COP26</b> Forests, Agriculture and Commodity Trade. A Roadmap for Action	✓
<b>COP26</b> Global Methane Pledge	✓
<b>COP26</b> World Leaders Summit Statement on the Breakthrough Agenda	✓
<b>COP26</b> Political Declaration on the Just Energy Transition in South Africa	✓
<b>COP26</b> Green Grids Initiative – One Sun One World One Grid: One Sun Declaration	✗
<b>COP26</b> Statement welcoming the establishment of the IFRS Foundation's new International Sustainability Standards Board	✓
<b>COP26</b> Statement on International public support for the clean energy transition	✗
<b>COP26</b> Global Coal to Clean Power Transition Statement	✓
<b>COP26</b> Joint Statement in Support of the UK-IEA Product Efficiency Call to Action to Raise Global Ambition through the SEAD Initiative	✗
<b>COP26</b> Supporting the Conditions for a Just Transition Internationally	✓
<b>COP26</b> Clydebank Declaration for Green Shipping Corridors	✗
<b>COP26</b> declaration on accelerating the transition to 100% zero emission cars and vans	✗
<b>COP26</b> declaration: International Aviation Climate Ambition Coalition	✗
<b>COP26</b> Beyond Oil and Gas Alliance	✓

Source: Produced by authors based on publicly available information

### Cooperation on an equal footing and responding to needs of partners

Since the von der Leyen Commission entered office, international cooperation policy has undergone a paradigm shift away from the donor-recipient relationship towards “partnership[s] of equals and mutual interest” (European Commission, 2019e). The renaming of DG Cooperation and Development (DG

DEVCO) to DG International Partnerships (INTPA) is symbolic of this shift. Under the new paradigm, engagement with partners should be based on tailor-made geographic strategies that reflect local needs.

The envisioned partnerships of equals are operationalised in Multiannual Indicative Plans (MIPs) which are developed in collaboration with partners and outline joint priorities for countries and regions. MIPs inform EU institutions and Member States' programming and increasingly highlight the green transition as a key priority. Priorities outlined in MIPs are often reflected in TEIs and Global Gateway Investment Packages. For instance, the Sub-Saharan Africa MIP highlights climate mitigation and resilience, sustainable energy, and sustainable agri-food systems as core priorities. These priorities are reflected in the EU-AU: Global Gateway Investment Package and the related Africa-EU Green Energy Initiative (AEGEI) which aims to increase energy production, access, and efficiency and support an enabling regulatory environment for investment. The EU's credibility rests on its ability to deliver projects that serve not only the EU but partners' interests. The EU should avoid extractive partnerships and capture of green resources in third countries – what some refer to as climate colonialism.

The G77 and V20 (Vulnerable Twenty Group) have increasingly centred debt-sensitive finance, adaptation, and Loss and Damage (L&D) as key priorities. Recently, the EU has pursued positions and action which address G77 and V20 priorities. For instance, adaption and climate resilience are highlighted as priority funding areas for TEIs (Council of the European Union, 2023a). And, in 2021, over 54 percent of the EU's climate finance supported adaptation or cross cutting action, and almost 50 percent was committed in the form of grants (Council of the European Union, 2022a). The EU has also supported efforts to improve access to finance and decrease the cost of financing climate action for vulnerable and debt-burdened countries – signalling political support for reforming the international financial system (Council of the European Union, 2023a).

To the frustration of the G77 and V20, the EU resisted discussion on the creation of a Loss and Damage Fund for years. Unexpectedly, the EU was key to breaking the deadlock on L&D at COP27 in Sharm El-Sheikh, under the conditions that the fund targets the most vulnerable countries and the contributor base is broadened. The L&D breakthrough was crucial to maintain credibility and trust with G77 countries but has been criticised as a concession without equivalent gain as minimal progress on EU mitigation priorities was made. Moving forward, active engagement in discussions on the new funding instrument is crucial to maintain credibility. Failure to reach a decision or delayed action will impact trust and hinder the EU's climate diplomacy efforts to raise mitigation ambition.



Table 4

Summary analysis: **Impactful international engagement**

Characteristic	Current landscape	Assessment	Recommendation
<b>Mobilise public climate finance (“fair share”) and catalyse private investment</b>	The EU's international climate finance contributions are trending in a positive direction but fall short of what is considered their fair share. Efforts to leverage public finance to crowd in private capital and channel ETS revenue towards developing countries could increase the EU's contribution.	➡	<ul style="list-style-type: none"> <li>- <b>Increase future finance commitments</b> to align with what is considered the EU's fair share and ensure current and future pledges are met.</li> <li>- In line with calls from EP, channel portion of <b>ETS revenue towards vulnerable third countries</b>.</li> <li>- Transparently <b>communicate leverage assumptions</b> behind EIP.</li> </ul>
<b>International public finance is aligned with Paris Agreement</b>	The EU developed a detailed monitoring system to track and evaluate NDICI-Global Europe priorities, including climate spending. While the EU tracks and evaluates climate spending, it fails to track Paris compatibility and compliance with its DNSH principle. In response to the Russian War and energy crisis, the EU has enacted contingency measures and diversification strategy that undermine Paris Alignment.	➡	<ul style="list-style-type: none"> <li>- Update the Global Europe Performance Monitoring System (GEPMS) to include tracking of Paris compatibility.</li> <li>- Adhere to commitments to end public support of fossil fuel projects.</li> <li>- Clearly exclude support for fossil fuels from EU climate efforts, for example by reverting to the earlier version of the EIB's PATH Framework.</li> </ul>
<b>All foreign policy channels used to support global transformation</b>	The EU expresses ambition to expand climate diplomacy outside of the UNFCCC to other climate-relevant foreign policy areas. Climate mainstreaming into all foreign policy channels remains in narrative as institutions are slow to reflect climate mainstreaming in action.	➡	<ul style="list-style-type: none"> <li>- Translate climate policy ambitions into concrete action and continue push for the integration of climate considerations in all relevant foreign policy.</li> <li>- Strengthen multilateral partnerships and proactively address the impact of domestic policies in multilateral and bilateral engagements.</li> <li>- Promote climate nexus in all external engagement and provide guidance to diplomats on relevant foreign climate policy.</li> </ul>

Characteristic	Current landscape	Assessment	Recommendation
<b>Climate-related international action is coordinated and aligned</b>	The EU has strengthened cooperation channels for the UNFCCC and development cooperation through formal and informal engagement platforms. The Team Europe approach has proven a success and is now applied beyond its original context, the COVID-19 Pandemic. However, there is room for improvement when it comes to coordination and consensus at multilateral fora, where the EU is not a member.		<ul style="list-style-type: none"> <li>- Strengthen formal and informal coordination channels to improve the coherence of EU external action.</li> <li>- Strengthen and expand the Team Europe approach to encompass all climate-relevant foreign policy outside of the development cooperation.</li> <li>- Provide further guidance on the external dimension of the Green Deal to inform and allow for greater cohesion of climate-related foreign action.</li> </ul>
<b>Transformative and impactful international actions initiated or supported</b>	The EU is a signatory of several impactful international climate initiatives and a founding member of the IPG behind JETPs. It must ensure that funding for JETPs support equitable and sustainable transition and does not develop infrastructure that locks-in emissions.		<ul style="list-style-type: none"> <li>- Ensure signed initiatives are being met with ambition and prioritise the implementation of impactful initiatives, especially considering limited capacities.</li> <li>- Ensure that JETPs fund equitable and sustainable transitions and do not contribute to gas lock-in.</li> </ul>
<b>Cooperation on an equal footing and responding to needs of partners</b>	The EU has reacted to concerns of the G77 and V20 on topics like adaptation, debt-sensitive finance, and L&D. Looking forward delivering on promises is crucial to building and strengthening trust and partnerships.		<ul style="list-style-type: none"> <li>- Promote participatory partnerships grounded in national development priorities to ensure equitable foreign climate policy.</li> <li>- Engage in the creation of the Loss and Damage Fund.</li> </ul>

### 3.4 Leading by example

#### **Ambitious domestic climate targets**

Within days after taking office, Commission President von der Leyen presented the European Green Deal. Europe's "man on the moon moment", as von der Leyen introduced it, aims to transform the European economy and society to become more sustainable and climate-resilient, while creating new opportunities for jobs and growth (European Commission, 2019h). The Green Deal has become the overarching framework for climate and environment in the EU and it includes the target to reduce GHG emissions by at least 55 percent by 2030 (compared to 1990 levels) and to reach climate neutrality by 2050. The Green Deal also includes measures to increase the share of renewable energy, to increase energy efficiency, to promote clean transport, and to reduce pollution (European Commission, 2019j). In view of the 2030 target, this is a considerable increase in ambition compared to the previous 2030 target of 40 percent reduction in emissions. The climate neutrality target and the 2030 emissions reductions target are both enshrined in the EU Climate Law adopted in April 2021 and thus represent legally binding commitments for all EU Member States (European Commission, 2021b). The objective of achieving climate neutrality by mid-century has also been included in EU's Long-term Strategy (LTS), adopted in November 2018 and designed to guide the EU's transition towards a more sustainable, low-carbon future (Climate Action Tracker, 2022).

While the long-term perspective with a climate neutrality target points in the right direction, there is criticism of the level of ambition of the EU's 2030 emissions reductions target. For example, the Climate Action Tracker rates the EU's NDC target as "insufficient" compared to its fair share emissions allocation ("fair share target"). Compared to modelled domestic paths ("domestic target") the rating is slightly better ("almost sufficient") (Climate Action Tracker, 2022). Several studies by Think-tanks and CSOs came to the conclusion that in order to be within the 2030 emissions range that is compatible with the 1.5-degree limit, the domestic target for 2030 would need to involve a 65 percent reduction in GHG emissions compared to 1990 (Climate Analytics, 2020; CCPI, 2023). The Environment Committee of the EU Parliament (ENVI), in its report on the EU Climate Law published in September 2020, called for emissions to be reduced by 60 percent in 2030 compared to 1990 and called for an interim target for 2040 to ensure that the EU is on track to reach its 2050 target (European Parliament, 2020b). The EU Parliament has renewed the request to raise the 2030 target as part of its resolution on the 2022 UN Climate Change Conference in Sharm El-Sheikh, which states that the EU should update its NDC and increase the GHG emission reduction target ahead of COP27 (European Parliament, 2022a).

Several analyses have confirmed that an increase in ambition is not only necessary but also possible with planned measures. For example, the Climate Action Tracker concluded that, if implemented, policy proposals under the Fit for 55 package and the REPowerEU Plan could lead to a 58-60 percent reduction in emissions by 2030 compared to 1990 levels, including LULUCF (Climate Action Tracker, 2022).

Parallel to the UNFCCC summit in Egypt, negotiators from the EU Parliament and EU Council reached a tentative agreement to increase the EU's carbon sink target for the land use and forest sectors. If implemented, this new target would effectively raise the EU's GHG reduction target from 55 to 57 percent by 2030 (European Parliament, 2022b). Before the new law can become effective, the agreement must still be formally approved by Parliament and Council.

In light of these developments and to live up to its status as a leader in climate action, it is essential for the EU to raise its 2030 GHG emissions reductions target. The desired level of ambition should ideally be based on the values determined by science and also those demanded by the EU Parliament, i.e., go beyond the 57 percent reduction target. In addition, the EU should promptly set another interim target for the year 2040 on the way to climate neutrality by the middle of the century. A corresponding stakeholder engagement process to define the 2040 target has been initiated by the Commission in April 2023 (European Commission, 2023b).

### **Effective policies to reach targets:**

In July 2021, the EU Commission presented the "Fit for 55" package which provides the legislative framework and policy tools to achieve EU's climate and environmental targets. The package includes a range of measures across various sectors, including energy, transport, agriculture, buildings, and industry and is designed to support the implementation of EU's Green Deal. The key proposals include increasing the price of carbon and reducing emissions from sectors covered by the EU ETS, introducing a Carbon Border Adjustment Mechanism (CBAM) to prevent carbon leakage, and revising the Renewable Energy and Energy Efficiency Directives to increase the share of renewable energy and set new targets for reducing energy consumption. The package also includes a new framework for sustainable mobility and land use, as well as other measures across various sectors (European Council, 2023b).

In response to the economic and social impact of the COVID-19 pandemic the EU established the "Next Generation EU" recovery plan, a EUR 750 billion recovery package to support Member States in rebuilding their economies and societies "more greener and more digital". Under this stimulus package, which is only slightly smaller than the entire MFF 2021 - 2027, governments are required to allocate 37% of their funds to reducing CO<sub>2</sub> emissions in their economies and



a further 20% to digitalisation measures such as improving computer literacy and building high-speed internet networks (Reuters, 2021).

In May 2022, in response to the energy crisis caused by Russia's invasion of Ukraine, the EU Commission presented a plan to “rapidly reduce dependence on Russian fossil fuels and fast forward the green transition” (European Commission, 2022h). The so-called REPowerEU Plan is meant to complement the Fit for 55 package by accelerating certain efforts and increase ambition. This is to be achieved primarily through the implementation of measures in areas such as energy efficiency, expansion of energy supply and accelerated introduction of renewable energy sources to replace fossil fuels in households, industry and power generation (European Commission, 2022h).

In March 2023, the Commission has presented a Green Deal Industrial Plan aimed at improving the competitiveness of Europe's net-zero industry . This initiative was seen by many as the EU's response to the US's Inflation Reduction Act (IRA), which is considered the most significant climate legislation in US history, but has also raised concerns among EU officials, as the subsidies offered under the IRA would put EU industry at risk (EPA, 2023). The Green Deal Industrial Plan is thus designed to create a more supportive environment for the expansion of the EU's manufacturing capacity for net-zero technologies and products necessary to meet Europe's climate goals. The Plan focuses on four pillars: simplified regulations, faster access to financing, skills development, and open trade for resilient supply chains. It builds upon past initiatives and complements other efforts under the European Green Deal and REPowerEU (European Commission, 2023e).

All the measures proposed by the EU, especially under the Fit-for 55 and the REPowerEU packages, have the potential to meet or even exceed the self-imposed 2030 emission reduction target, if successfully implemented (Climate Action Tracker, 2022). It can thus be concluded that the EU has underpinned its climate targets with a robust and comprehensive catalogue of policy measures.

However, there are legitimate reasons for concern, given some of the measures taken by the EU and its Member States in response to the current energy crisis. In response to the energy crisis the Council, for instance, amended the EU Taxonomy, the EU's classification system for environmentally sustainable economic activities, to classify liquefied natural gas (LNG), under strict conditions, as a sustainable transition fuel (European Union, 2022). This goes against IEA guidance that a pathway to net-zero requires significant declines in gas and no new gas fields (IEA, 2021).

In addition, the EU and its Member States have invested heavily in LNG infrastructure since Russia's invasion of Ukraine, with expected total import capacity exceeding total gas imports from Russia from 2021 (Climate Action Tracker,

2022). These investments in fossil gas infrastructure therefore either lead to stranded assets or jeopardise the EU's emissions reductions target. Moreover, the EU also encourages and supports other countries, including developing countries, such as Senegal, to invest in fossil gas production, which exacerbates the problem and directs funds away from renewables (Hoffmann and Abd Ali, 2022).

It is crucial to ensure that interim measures taken now in response to the energy crisis do not risk a carbon lock-in and are accompanied by an immediate and significant boost in the promotion of renewable energy sources and energy efficiency to prevent similar measures in the foreseeable future (Climate Action Tracker, 2022).

The EU has reached a crucial point in its climate and energy policy where the EU and its Member States must now decide whether to replace their dependence on Russian fossil fuel imports with reliance on other countries' fossil fuels or take firm action and transition to domestic renewable energy sources. Any policies and measures taken now in response to the crisis that are not in line with the Paris goals undermine the EU's credibility on the international stage and thus severely hamper climate diplomacy efforts.

### **Compliance with international climate norms**

To solidify credibility and to lead by example, it is also important to strengthen and comply with international climate norms such as those established under the UNFCCC, G7 amongst other.

One important aspect of international climate norm has been the Glasgow decision urging countries to review and strengthen their 2030 targets by the end of 2022, aligning them with the temperature targets set in the Paris Agreement (UK COP 26 Presidency, 2021). Although the measures proposed under its Fit for 55 package and REPowerEU Plan offered the potential to achieve a greater reduction in emissions in 2030, the EU and its Member States did not reach an agreement and thus failed to respond to the call for updating its NDC before COP27, like most major emitters (Dröge and Geden, 2022). In his opening speech at COP27, EVP Timmermans, confirmed that the "current state of play will bring the actual emissions reductions to at least 57 percent". He continued to announce that "the EU stands ready[to] update [its] NDC, reflecting higher ambition" (European Commission, 2022d).

To encourage other governments to increase their ambition, the EU should officially submit an updated NDC to the UNFCCC well in advance of COP28 in Dubai.

## Communicating domestic climate action

A crucial component of leading by example is to showcase and promote domestic experiences and good practices in the international community. As the person responsible for implementing domestic climate policies in the EU, Timmermans has gained a wealth of experience and expertise in implementing climate change action. This experience lends him the credibility and authority to act as the EU's climate envoy. In this role he represents the EU in international climate negotiations and encourages other countries to increase their climate ambition.

It is particularly important, given short-term measures taken in response to the energy crisis that involve investments in fossil fuels, that clear communication be established with a definite commitment to its climate goals and the Paris Agreement in order to maintain credibility. The 2023 Council conclusions on Climate and Energy Diplomacy recognised this and emphasised that “the EU fossil fuel diversification efforts should not undermine long-term climate neutrality goals globally and should avoid creating fossil fuel lock-ins and stranded assets” (Council of the European Union, 2023a, p.15). In the current situation, unambiguous communication with clear commitments to ambitious targets that are in line with the Paris Agreement is essential. To this end, all communication channels available to the EU should be used to confidently commit to climate targets, not only through statements by high-level EU civil-servants but also at the working level.

The EU Climate Diplomacy Weeks offer the opportunity to discuss this issue directly with partner countries outside the EU. The EU Climate Diplomacy Weeks are a series of events that take place annually to raise awareness and promote action on climate change, both within the EU and in partner countries around the world. The EEAS and EU Delegations organise these events in collaboration with local partners, providing a platform for EU diplomats to engage with their counterparts in partner countries and promote cooperation on climate action (European Commission, 2022b).



**Table 5**  
**Summary analysis: Leading by example**



Characteristic	Current landscape	Assessment	Recommendation
<b>Ambitious domestic climate targets</b>	With the Green Deal and the EU Climate Laws, which contain both an improved 2030 GHG emissions reductions target compared to the previous NDC and a clear commitment to climate neutrality by the middle of the century, the current Commission has taken the right direction. However, the short-term emissions reductions goal for 2030 is not yet compatible with a 1.5-degree temperature limit.		<ul style="list-style-type: none"> <li>- <b>Increase emissions reductions target for 2030</b> ideally going beyond 57%.</li> <li>- Set an ambitious interim <b>emissions reductions target for 2040</b>.</li> </ul>
<b>Effective policies to reach targets</b>	Overall, the EU has succeeded in underpinning its climate goals with a comprehensive set of policies. However, the measures to address the current energy crisis substituting Russian fossil fuels with domestic fossil fuels or from abroad, which could lead to continued dependence on such fuels in the future, which would strongly undermine EU's decarbonisation goals.		Avoid carbon lock-in risk during energy crisis with swift <b>promotion of renewables and energy efficiency</b> .
<b>Compliance with international climate norms</b>	In the run-up to COP27, the EU announced that it would increase its 2030 emissions reduction target and thus raise its ambition. Although the legislative and political measures taken by the EU would have made it possible to revise its 2030 target, it did not comply with this request of the Glasgow Climate Pact.		Officially <b>submit updated NDC</b> well in advance of COP28.
<b>Communicating domestic climate action</b>	There is a certain credibility associated with Timmermans as the international face of European climate efforts, as he is also responsible for the implementation of national climate action. In addition, and given the short-term measures taken in response to the energy crisis, including investment in fossil fuel infrastructure, the EU should aim to use all available communication channels to make a clear commitment to its own climate goals.		<b>Underline a clear commitment to the EU's own climate goals</b> through all communication channels, including high-level civil servant as well as on the working level.

## **>> 04**

# **Conclusions**

One of the key promises of the current Commission is to make climate a central issue in its foreign policy. This chapter summarises the current status of the EU's efforts in this based on the assessment made in this report.



### Areas in which the EU is setting high standards include:

#### Recognition of the magnitude of the challenge



- **Core climate diplomacy documents indicate the EU's commitment to implementing the Paris Agreement.**
- The Green Deal specifically states that current global climate ambition is insufficient and sets out the ambition to ensure the Paris Agreement remains an indispensable multilateral framework for tackling climate action to which the EU together with the global community must adhere. Similarly, annual Council conclusions reiterate the EU's commitment to mainstream climate into all foreign policy channels and coordinate lobbying efforts at multilateral fora (i.e., as MDB and IFI shareholders) to encourage Paris alignment.
- There are different levels of ambition within the EU decision making bodies: Parliament tends to be more ambitious with its Resolutions and exerts political pressure to increase climate ambition, while the Council is necessarily different due to the dynamics of compromise between Member States. Several focus areas emerge across EU documents that indicate convergence around action needed to address climate change (e.g., strengthening partnerships, greening financial flows, aligning trade policy, etc.).



### Areas in which the EU is making good progress but there is still room for improvement include:

#### Vision for foreign climate policy formulated and signed off at the highest political level



- **EU institutions outline parallel visions of climate diplomacy in separate policy documents. While similarities can be drawn across guidance, parallel visions create ambiguity around EU's high level and long-term priorities.**
- The EU has a complex mixture of climate diplomacy policy documents which creates ambiguity around guiding high level principles. Global leadership in climate action is highlighted in 2020-2024 Joint Conclusions and by the European Council in 2019 and 2020. The Commission's Green Deal is central to the EU's vision of climate diplomacy and signals a geopolitical approach to partnership engagement but does not provide a complete vision. Annual Council conclusions indicate near-term priorities but do not provide an overarching long-term vision. Consensus by all EU governing bodies is needed on the long-term and high-level priorities of foreign climate policy.

Foreign climate policy strategy

**By means of the Council Conclusions on Climate Diplomacy, the EU defines its position and priorities on climate change in its external relations, although measures could be formulated even more specifically and bindingly.**



- While the Council Conclusions on Climate Diplomacy, published regularly since 2011, provide transparent guidance on how the EU intends to respond strategically to climate issues in the near term, they hardly describe concrete actions for individual actors. Moreover, there is no clear monitoring process for the achievement of previously defined goals. Also, key points from the conclusions are only reflected to a limited extent, if at all, in important policy guidance documents such as the Commission's annual work programme.

Coordination and alignment of climate-related international action

**The EU has strengthened cooperation channels for the UNFCCC and development cooperation. However, at multilateral fora, coordination and consensus can break down.**



- Team Europe initiatives (TEI) and the Global Gateway represent a paradigm shift in international cooperation policy towards partnerships in line with EU strategic priorities (i.e., the green transition, democracy, and transparency). Importantly, TEIs seek to combine resources and expertise across EU institutions and Member States and to increase the visibility of EU action. Informal coalitions like the Green Diplomacy Network and Climate Ambassadors Network organised by the EEAS similarly provide platforms for engagement and ambition raising.
- Established channels for cooperation exist for the development cooperation and UNFCCC. However, in multilateral foreign policy fora, where the EU is not a member and is represented by Member States, coordination and consensus can break down, fragmenting speaking with one voice.

Transformative and impactful international initiatives

**The EU plays an important role in supporting international climate initiatives and is a key actor in several partnerships to enable just transitions and promote climate resilience. It is imperative that the EU ensures funding supports equitable and sustainable transitions and does not develop infrastructure that locks-in emissions.**



- The EU is a signatory of several international climate initiatives and was central in the launch of the Global Methane Pledge: Notably, the EU is not a signatory of the Accelerating to Zero Coalition (new car sales zero emission by 2035) even though it reached a deal to ban internal combustion engines (ICE) from 2035. The EU does not have principal competence over all areas covered by initiatives, which limits its participation, but it can lobby for greater ambition from Member States.
- The EU is a member of the International Partner Group (IPG) supporting JETPs and is leading the partnership with Viet Nam.

Cooperation on equal footing and responding to needs of partners



- **The EU's international cooperation policy has undergone a paradigm shift towards partnerships of mutual interests and the EU has routinely stressed the need for joint implementation of the Paris Agreement and 2030 Agenda.**
- Efforts to develop mutually beneficial partnership are seen in bilateral Multiannual Indicative Plans (MIPs), which are developed in collaboration and based off EU priorities and partner's national priorities. MIPs increasingly prioritising the green transition. To strengthen and build green partnerships, the EU must deliver projects that serve not only EU interests but partner interests.
- The EU has increasingly pursued action to address G77 and V20 priorities (e.g., L&D, adaptation, debt-sensitive financing). Over 50 percent of the EU's international climate finance goes towards adaptation and around half is provided in the form of grants (Council of the European Union, 2022a). Recently, after years of resistance, the EU played a major role in the COP27 L&D breakthrough. Following through on commitments to LDCs and SIDs is crucial to ensure credibility and build trust.



**Areas in which the EU is making some progress but there is still significant room for improvement include:**

Allocation of roles and responsibilities in climate diplomacy



- **Responsibilities for climate diplomacy in the EU are not always clear, and it is questionable whether high-level political leaders have sufficient capacity to devote adequate time to climate diplomacy.**
- EVP Timmermans is not only responsible for climate action at home, but also takes on the role of a climate envoy, which some stakehold-



ers consider too much for one person. HR/VP Borrell, who at least according to his mandate and in view of the institutions assigned to him (e.g., EEAS) should play an important role in foreign climate policy, does not recognisably put climate high on his agenda. In addition, the post of "Ambassador at Large" for climate diplomacy, created in the EEAS in 2019, has been vacant since March 2023.

**There is a lack of an appropriate coordination mechanism for foreign climate policy as well as for mainstreaming climate into other foreign policy areas such as trade.**



- There are some institutions, such as the EEAS or groups like Group for External Coordination (EXCO), that aim to ensure that the EU's foreign policy is consistent and coherent with internal policies. The Parliament, with its committees, also has an important monitoring role when it comes to external action. However, none of these bodies have an explicit focus on foreign climate policy.

**Not all EU institutions dealing with foreign policy prioritise climate to a sufficient extent yet.**



- While the narrative regarding the overriding importance of climate action has changed in most areas since the implementation of the Green Deal, this is still not yet visible in concrete action across all institutions. This is evidenced, for instance, by the very small team for climate diplomacy in the EEAS or the capacities and expertise available on the topic of climate change in relevant RELEX DGs, such as DG TRADE.

Provision of international climate finance

**EU international climate finance contributions point in the right direction but contributions to date and pledged future finance fall short of what is considered their fair share.**



- The EU is the largest net contributor to climate finance, but civil society actors estimate it falls short of its fair share (Hattle et al., 2021). A fair share would imply values that are about 1.5 times higher compared to its current contributions. The gap in climate finance contributions negatively impacts its credibility. It has increased its climate spending targets for public finance which provides funding security to recipients. However, its allocation of climate finance through budget cycles places a structural limitation on the EU's ability to quickly mobilise additional finance in response to COP demands.



● **Leverage assumptions behind the EU's ability to mobilise private investment are not always clear.**

→ The EU seeks to address the finance gap through utilising public funds to leverage private investment. For example, through the External Investment Plan which backs the NDICI-Global Europe and the Global Gateway. The EU's capacity to leverage is dependent on countries' political and economic climate and the sector or project. Lack of transparency and clear communication around assumptions can reduce confidence.



● **The EU has a solid foundation for tracking climate-related spending in public finance but fails to track Paris compatibility and compliance with its DNSH principle.**

→ The EU sets multiple climate related spending targets and in addition to using Rio Markers, monitors identified priorities (e.g., climate) and assesses the performance of interventions. However, the EU does not monitor if public finance expenditures are Paris aligned or comply with the Green Oath. An example of the EU failing to track Paris alignment is seen in the suspension of the PATH Framework by EIB. The decision enables energy companies without credible decarbonisation plans to access funding.



● **The EU calls for sustainable global financial flows but does not always meet its commitments.**

→ The EU is a signatory of the Glasgow Climate Pact and its Council conclusions have called for the phase out of inefficient fossil-fuel subsidies, but its Member States have not yet set deadlines to end export credits. In addition, in the fall out from the Russian invasion of Ukraine, the EU enacted contingency measures and a diversification strategy that undermine the Paris Agreement. For example, EU and Member States have supported the development of new gas infrastructure abroad.

#### Integration of climate into all foreign policy channels



● **The European Green Deal outlines the EU's ambition to mainstream climate into all foreign policy channels but the extent to which it has been mainstreamed varies.**

→ Mainstreaming climate into all foreign policy channels is highlighted in the Green Deal and yearly in FAC conclusions. While the narrative on utilising foreign policy as a vehicle for climate action has taken

hold, implementation remains slow. For instance, climate change is centred as a strategic priority for DG INTPA and is a rising theme in bilateral multi-annual indicative planning (MIPs). The integration of climate into trade policy is more nascent. Ambition in trade policy is not always driven by EU as seen in EU-NZ FTA.



### Areas in which the EU's progress can be considered inadequate include:

#### Provision of adequate resources

#### **Important EU institutions have very limited resources and capacity to fulfil their climate diplomacy mandate.**



- This is particularly true for the EEAS, which according to its mandate should be at the centre of European climate diplomacy, but which is not sufficiently resourced to fully deliver on this mandate. This is true both at headquarters, where the Ambassador for Climate Change and his team lack resources, and in the EU delegations, where only a minority have a focal point on climate change. Other key DGs, such as DG Trade, also lack the resources to adequately address climate issues.

**To enhance its international credibility, a basic prerequisite for successful climate diplomacy, the EU must also implement ambitious climate policies domestically.** The analysis presented in the leading by example section of this report suggests that although the EU's climate targets should be more ambitious given its responsibilities and capabilities, the policies already implemented, particularly since the launch of the Green Deal, provide a solid foundation to meet or even surpass its targets. However, it is crucial to ensure that the fossil fuel diversification efforts implemented in response to the energy crisis do not compromise the long-term goal of global climate neutrality, as this would not only lead to fossil fuel lock-in, stranded assets, but also seriously weaken the EU's credibility, thus undermining its climate diplomacy efforts.

## **>> 05**

# **Recommendations**

**Based on the analysis carried out within the framework of this report, the following recommendations for action are derived to effectively anchor climate as a central issue in EU foreign policy for the long term.**

# # 1

## Solidify credibility by actually leading by example

The EU draws strength on the world stage from its historical role as a climate leader. Recently, some international observers have however criticised it as hypocritical, notably in the wake of the energy crisis unleashed by the Russian invasion of Ukraine and what has been characterised as a European “dash for gas” provisions in the RePowerEU, which has sent parts of the EU and its Member States on a buying and investment spree for gas and directing large amounts of public funds into future stranded gas infrastructure. In order not to lose credibility as a global leader in climate action and the resulting diplomatic soft power that the EU has built up, the following measures are advisable:

### Increase ambition and commit to strengthen climate norms

- **Ratchet up the EU's emission reductions target for 2030** beyond the current target of 55 percent, even going beyond the currently discussed 57 percent. Such ambition raising is key to demonstrate leadership in global climate action and solidify the EU's credibility as a leader by example. By **officially submitting an updated and more ambitious NDC** to the UNFCCC well in advance of the upcoming COP28 in Dubai, and thus finally committing to COP26 decision albeit with one year of delay, the EU can show its commitment to achieving the goals of the Paris Agreement and encourage other countries to follow suit. The submission of an updated NDC also provides transparency and stability for international partners to follow suit, which is crucial for effective climate diplomacy.
- **Set an ambitious interim emission reduction target for 2040** is critical for the EU to achieve its climate neutrality target by 2050. This target should leave no doubt that the EU is on track to meet its long-term climate neutrality goal. By setting an ambitious interim target, the EU can build momentum towards its 2050 goal, drive investment in clean technologies, and provide a clear signal to its partners around the world that it is committed to ambitious climate action.
- **Commit to implementing international commitments**, including those made under the Glasgow Climate Pact, the G7 and G20 Commitments, e.g., submit a more ambitious climate target (see above) or to ending coal-fired power generation and achieving decarbon-

ised electricity supply. In areas where it is the responsibility of the Member States to take action, the EU should leverage all available resources to urge Member States to act.

- Actively **promote global climate action through domestic action**, using the EU's large market and resulting power to set global trends and drive ambitious standards and norms. The so-called "Brussels effect," whereby EU regulations and standards often prevail worldwide, should be implemented in a way that promotes transition without patronising countries in the Global South.

#### Do no harm

- **Review the projected gas overcapacity being built in Europe and the EU's rush to diversify its energy supply with fossil fuels.** In addition, the EU should revise the role of gas in Free Trade Agreements (FTAs) and evaluate the compatibility of these programs with the EU's climate goals. As part of its commitment to achieving climate neutrality, the EU should aim at transitioning away from fossil fuels towards renewable energy sources as fast as possible.
- **Clearly exclude support for fossil fuels from EU climate efforts. This includes revising the EU's Green Taxonomy** which provides a contradictory designation for gas investments **and reverting to the earlier version of the EIB's PATH Framework**, through which the Bank aims at supporting counterparties on their pathways to align with the Paris Agreement, by making clear decarbonisation plans a fundamental eligibility criterion for accessing funds. In addition, the EU should reject the financing of gas infrastructure in Just Energy Transition Partnerships (JETPs) which can lead to lock-in and stranded assets and divert funding from renewables. It is also important to ensure JETPs are transparent and participatory.

#### Improve communication

- **Ensure that all climate-related actions are accompanied by a clear and comprehensive communication strategy to international partners**, including significant developments and achievements under the European Green Deal. This strategy should target and address the actual or perceived implications of such actions for international partners, such as the launch of the Carbon Border Adjustment Mechanism (CBAM) or the Green Deal Industrial Plan. The EU should also improve outreach and communication by translating and disseminating information in foreign languages, engaging with foreign stakeholders, and sharing lessons learned.

# # 2

## Institutionalise climate in the EU's foreign policy

Institutionalising climate mainstreaming in the EU's foreign policy means to incorporate climate change considerations into all aspects of the EU's foreign policy decision-making process, with the goal to ensure that climate change is treated as a cross-cutting issue that is fully integrated into the EU's external action. Institutionalising climate in the EU's foreign policy requires a comprehensive and coordinated approach that involves leadership, resources, and processes. It means creating institutional structures and procedures within the EU's foreign policy apparatus that ensure that climate change is a central consideration and not just an afterthought. The following measures are advisable to implement a comprehensive approach to climate diplomacy in the EU's key foreign policy bodies.

### Ensure high-level leadership

- **Ensure high-level leadership and anchor climate diplomacy at the highest political level** to guarantee that climate issues are a top priority for the EU's foreign policy decision-making processes. This includes ensuring that high-level officials, including those outside the climate core, in key positions, such as the High Representative for Foreign Affairs and Security Policy, have a strong mandate and, ideally also expertise in climate diplomacy and that they exercise their mandate to the full, prioritise climate on their agenda and allocate the necessary resources and capacity to carry out their tasks effectively.

### Climate-proof foreign policy through capacities and adequate resources

- **Expand climate competences and expertise in the EU's key foreign policy institutions** to ensure sufficient and adequate capacity to address climate change issues effectively. These institutions should include, for example, the so-called RELEX DGs, which influence external relations to varying degrees and which include, among others, DG TRADE, DG INTPA or DG NEAR. This could be done by creating a special unit or focal points dedicated to climate change within these institutions or bodies. This can be achieved by a combination of training existing staff and hiring new qualified staff to bolster their climate competencies. Such investments would improve the ability of these institutions to effectively engage in climate diplomacy.

- **Ensure the effective implementation of EU climate diplomacy by providing sufficient budgetary resources to support its climate diplomacy approaches.** This concerns both institutions in Brussels and in partner countries, with a focus on strengthening the capacity of the EEAS and its climate diplomacy unit in the headquarter and improving the work of EU delegations in this regard.
- **Empower the EU Climate Ambassador at Large for Climate Diplomacy with an expanded team and power to full fill its mandate.** This should complement the role of DG CLIMA, e.g., in the UNFCCC negotiations and, while closely coordinating with DG CLIMA and the European Green Deal Cluster, can take on other important coordination tasks, e.g., for JETP implementation, the Methane Pledge or the coordination of the Member State climate envoys. This is important to engage foreign partners at all relevant levels, especially at the highest level.
- [Outlook towards the next Commission, which will be formed after the European elections in 2024] **Explore options to reorganise the priority working clusters of the current Commission to emphasise not only the national, but also how it relates to the international dimension of the European Green Deal.** This can be done in particular through a stronger emphasis on the external dimension of the European Green Deal under the "A stronger Europe in the world" cluster, currently led by Josep Borrell.

Improve coordination and alignment

- **Improve the coordination of all climate-relevant issues within the EU's external action and across all relevant EU institutions.** This can be done by enabling institutions, such as the EEAS climate diplomacy unit to full fill its mandate and/or by expanding the mandate of other bodies that are tasked with ensuring coherence of all international action with domestic policies and goals, such as the Group for External Coordination (EXCO), which is currently tasked with coordinating external relations questions.
- **Ensure alignment across strategic guidance documents of the different EU institutions.** In particular, major announcements from the Council conclusions on Climate and Energy Diplomacy should be incorporated in key strategic documents, such as the Commission's annual work program. This will help to ensure coherence and consistency in the EU's climate diplomacy efforts.



# # 3

## Globalise the EU's Green Deal by advancing from technical to (geo) political climate diplomacy

Adopting a more holistic and strategic approach to climate diplomacy, can be considered a precondition for successfully implementing the global dimension of the European Green Deal. Therefore, the EU should advance its climate diplomacy efforts from a primarily technical approach, focused to a large extent on UNFCCC negotiations, to a more holistic and geopolitical approach by integrating climate considerations into all relevant foreign policy channels. The following measures can be considered key, to effectively globalising the European Green Deal:

- **Integrate climate considerations into all relevant foreign policy channels, such as those related to finance and investment, international trade, foreign security, and industrial policy.** This can be achieved by fulfilling collective climate spending targets, aligning trade policy and agreements with climate ambitions, promoting carbon pricing schemes, and phasing out financing for fossil fuel infrastructure. Additionally, the EU should ensure that its climate policy ambitions are translated into concrete action and continue to articulate these ambitions across relevant foreign policy guidance.
- **Deploy all foreign policy channels, international fora as well as bilateral and multilateral channels to proactively promote decarbonisation efforts in all sectors of the economy.** Shift from a reactive and domestically oriented climate diplomacy approach, which seeks to protect the EU's domestic climate policy, towards a proactive approach that aims to achieve mutual trade and climate benefits for the EU and its international partners. This includes developing strategic partnerships and supporting ambitious coalitions of the willing (e.g., the Coalition of Trade Ministers and Coalition of Finance Ministers). In addition, it can support ambitious efforts to reform the global financial system to support climate action.
- **Develop strategic talking points for EU officials and delegations on climate diplomacy priorities.** The EU could advance a more holistic and integrated climate diplomacy by shifting technical guidance to strategic political guidelines.

## # 4

### Strengthen and expand the Team Europe approach

Strengthening and expanding the Team Europe approach entails closer collaboration between EU institutions and Member States to ensure a more coordinated and effective foreign climate policy. This includes sharing of best practices, aligning priorities and strategies, and pooling resources to achieve common goals. It also involves engaging with international partners and civil society in a coordinated manner, to build partnerships and alliances for advancing the global climate agenda. To strengthen the Team Europe approach and thus ultimately enhance the EU's influence and leadership in shaping global climate action, the following measures are recommended:

#### Speak with one voice

- **Develop a common high-level and long-term foreign climate policy vision between EU institutions and Member States.** This could follow the approach of the European Consensus for Development and should provide strategic guidance to all relevant actors on advancing the external dimension of the Green Deal and promoting Paris alignment. If Member States develop their own foreign climate policy strategies, as is currently the case in Germany, these should be coordinated with the strategies of other Member States and oriented towards an overarching and long-term EU perspective.
- **Develop common speaking points on climate-related issues for EU and Member State delegations.** Clear and unambiguous communication about EU climate diplomacy priorities would signal that the EU is a stable and transparent partner and enhance the coherence of EU external engagement.

#### Use all levers to maximise diplomatic power

- **Place climate at the centre of trade, development, finance, research, and security policy and is necessary to meet the geostrategic goals outlined in the Green Deal.** Greater emphasis on climate can be achieved by including climate as a core mandate of relevant institutions and DGs. A broad range of policies and instruments across foreign policy – “whole-of-the-EU” approach – should be undertaken to achieve EU climate priorities. This includes maximising synergies between EU institutions and Member States ministries and agencies to increase EU visibility and diplomatic weight.

- More specifically, **use the EU and Member State's negotiating power in trade agreements to help ensure that globally ambitious environmental and climate standards are met** and sustainable and low-carbon practices are promoted worldwide.

#### Improve coordination in Team Europe

- **Strengthen formal and informal coordination channels to improve the coherence of EU external action, by EU institutions and Member States, in bilateral and multilateral engagements.** While the EU does not exert principal control over all foreign policy areas, it can strengthen coordination through, for instance, initiatives like Team Europe or the Climate Ambassadors Network (CAN). It can also support ambitious Member State initiatives, like the Group of Friends, which promotes enhanced climate mainstreaming in and coordination of EU and Member States' foreign policy.
- **Develop strategic geographic focus for EU institutions and Member States' climate-related action** to combine resources and expertise and enhance the EU's regional influence. Strategic geographic focus should not only be on the energy transition in emerging economies but address V20 calls for finance to enable adaptation and climate resilience measures.
- **Implement joint and coordinated communication strategies and activities to increase stakeholders' understanding and support of EU foreign climate policy priorities.** To enable the EU to meet the climate mainstreaming goals outlined in the Green Deal, the EU needs to raise awareness of its priorities and link them to developmental and economic benefits. Coordinating this approach would amplify the EU's voice.

#### Increase effectiveness

- **Ensure that the different initiatives undertaken by the EU and its Member States are complementary and effectively aligned towards a common goal.** Sectoral initiatives like JETPs and investments under the Global Gateway should, where possible build off and work hand in hand with Member State action. Any measures, as well as resources such as international climate finance, capacity building or technology transfer, should be used efficiently and coordinated to avoid duplication and ensure that all stakeholders are working towards the same goals. This requires clear guidelines and procedures for decision-making and implementation.

- Additionally, **regular monitoring and evaluation of the effectiveness of these actions can help identify areas for improvement and ensure that resources are used efficiently.** Develop a robust monitoring and reporting mechanism to regularly track and report on the progress of Team Europe's climate diplomacy activities, achievements, and shortcomings. The reports should include clear benchmarks and indicators to assess the effectiveness of the initiatives and inform future decision-making. This would improve transparency and accountability, facilitate learning and knowledge-sharing, and enable timely corrective actions where necessary.

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