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CALL FOR EVIDENCE SEPTEMBER 2025

# FIVE PROPOSALS FOR A NEW ERA OF EU CLIMATE AND ENERGY DIPLOMACY

## E3G SUBMISSION TO THE CALL FOR EVIDENCE FOR THE EU "STRATEGY TO BOOST GLOBAL CLIMATE AND ENERGY TRANSITION"

Global climate resilience and energy transition are geopolitical priorities with direct impacts on the EU's physical and economic security. Climate impacts jeopardise regional stability and contribute to conflicts, while impacts on supply chains and regional production facilities threaten economic opportunities and direct investment. Meanwhile, a well-managed transition to clean energy sources increases Europe's resilience to supply and price shocks, protects against unexpected constraints in an increasingly complex geopolitical context and helps bolster Europe's trade relationships and competitiveness.

The geopolitics of global climate and energy transition changed fundamentally throughout the last year. An effective **"Strategy to boost global climate and energy transition" in form of a global vision with global energy and climate diplomacy objectives can re-situate the EU's climate and energy transition leadership role** in the evolved global context, guiding the EU institutions as they adapt to these changes. To act as a unifying guide, the vision and strategy should have the **buy-in of EU institutions such as the Commission, EEAS, Council and the European Parliament**. To resonate with third countries, it should be bold, substantive and inspiring.

A vision grounded in **three flagship approaches**, **two horizontal enablers, and a precondition** can **enhance the EU's global impact** and through that strengthen

global climate cooperation and the EU's geopolitical standing. They can **showcase the reliability and stability of the EU as a partner** amidst global turmoil and provide a pathway for a joint approach to climate and energy diplomacy for the EU and its member states.

### Flagship Approaches

> **Uniting alliances for global impact**. The EU should continue its support for multilateral institutions, including doing more to foster links with climate progressive partners in Emerging Markets and Developing Economies (EMDEs). In addition, it should use the EU's leverage as one of the largest global economies and a leader on climate and energy transition to enhance coherence across existing alliances and ensure they are more impactful than the sum of their parts, turning them into a more powerful collective force.

> **Partnerships that deliver.** The EU should accelerate concrete delivery of new energy and climate partnerships to showcase model examples of what a new generation of partnerships can deliver while diversifying supply chains and strengthening diplomatic relationships.

> **Putting EU know-how to use for the global transition.** The EU should more explicitly pair its regulatory and technical expertise with its external action tools to promote and facilitate higher standards globally, while bringing soft and hard power benefits.

### Horizontal Enablers

> **Reliability through financial certainty.** The EU should make the most of the EU's financial certainty and significant ODA commitments relative to other actors by aligning financial tools behind a clear, long-term vision for climate cooperation.

> **Diplomacy by design.**The EU should advance internal Commission/EEAS structures and coordination with member states, so that work and communications on climate and energy transition are more nimble and strategically aligned.

### Precondition

To lead on international climate ambition and convince other emitters to raise their climate ambition prior to COP30, it is essential to enshrine a **science-based net greenhouse gas reduction target of 90% by 2040** compared to 1990 levels in the European Climate Law, and to **submit an ambitious EU NDC with a headline**

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**target derived from the 2040 target**, ideally by the end of September. Leading by example – at home and abroad – also **supports reaping the opportunities of COP30**: Partnerships, the Action Agenda, and reforms of multilateral institutions to better perform in the age of delivery.

With this vision the EU would **signal to the world and international partners**:

> **The EU is a reliable and stable partner** - in turbulent times, the EU delivers steadily and transparently and offers strong and mutually beneficial co-created partnerships. It listens to and learns from its partners.

> **The EU is doubling down on climate and energy cooperation** – climate and energy cooperation is delivering and must be accelerated, while adapting multilateralism to today's geopolitical realities, addressing long-standing disparities, and ensuring that cooperation delivers tangible benefits for all.

> **The EU champions flexible, inclusive coalitions of the willing** that focus on implementation, not just commitments, and that deliver real results on the ground. It **works with its partners to make the best of multilateralism**.

> **Driving the global climate and energy transition is a strategic choice** and critical for economic growth, energy security, geopolitical stability, and climate resilience.

> For Europe and its partners, **investing in resilience is a security imperative and a shared strategic priority**.

## Three flagship approaches

### 1. Uniting alliances for global impact

*Harnessing EU leadership and economic power to revitalise multilateral institutions and connect climate-progressive allies into a more powerful, coherent global force.*

Why: The EU benefits from multilateralism and the rules-based order yet growing doubts and attacks on the effectiveness of its institutions increasingly erode the foundations of the system. At the same time, the EU is right to also embrace new, more nimble and agile forms of plurilateralism alongside traditional multilateral fora. In this context, the number of alliances formed to deliver on climate and energy transition targets has increased rapidly in recent

years, all set up to deliver specific diplomatic outcomes but sometimes with overlapping mandates and country membership. Examples of the many alliances include the Clean Energy Transition Partnership; the Beyond Oil and Gas Alliance; the Powering Past Coal Alliance; and the Cool Coalition and Clean Heat Forum.

With the adoption of the UAE Energy consensus to triple renewable energy capacity, double the rate of energy efficiency improvements and transition away from fossil fuels by 2030, a global framework has been created that now requires these alliances to work closely together, demonstrating the world is accelerating the delivery of these goals. Given its focus on high level political coordination and buy-in, the EU's Global Energy Transition Forum is well positioned to play a leading role in demonstrating delivery against these goals. By working closely with these other alliances and initiatives, and where possible becoming a member of them itself, the EU can help turn these different initiatives into a more powerful collective force.

How:

- **Emphasize the importance of multilateralism and continue support for critical institutions for the global climate and energy transition** such as the International Energy Agency (in particular its current mandate), the UNFCCC (including the Paris Agreement), the IPCC, World Bank and International Monetary Fund. They offer relevant spaces to coalesce around the transition and its delivery and ensure accurate information for evidence-based decision making. They have helped governments and investors navigate the recent global energy crisis and played a crucial role in informing their energy transition planning for the years ahead. The EU should also actively engage with ongoing efforts to reform multilateral institutions, making them fit-for-purpose.
- **Task DG ENER, DG CLIMA, DG INTPA and EEAS with further developing GETF into a core diplomatic instrument to showcase and drive forward delivery against all UAE Consensus energy goals in close cooperation with existing alliances**, including formalised groups, such as the Climate Club and the Powering Past Coal Alliance, and less formal coalitions such as the COP28 coalition in favour of the energy package which was coordinated by the EU.
- **Better co-ordinate and collaborate within and beyond Europe and use its voice in international financial institutions to protect and drive progress**. This includes using European-led institutions, such as the EIB and EBRD, to act as catalytic investors in the transition and continuing to contribute to multi-lateral climate funds. It also means the EU and its member states co-ordinating to ensure a strong and joined up voice in global institutions,

ranging from the Bretton Woods institutions to newer ones such as the AIIB. Finally, it means the EU working with progressive climate leaders in the Global South to respond in earnest to build new coalitions – protecting climate policies, resolving key challenges impacting access to climate finance and indebtedness and considering its approach to the modernisation of governance and voting rights.

> **Use GETF to showcase successes in the global energy transition and transitioning away from fossil fuels both within the EU and through international cooperation, e.g. alliances of the willing.** This can support building high-level political buy-in, including through hosting leader-level meetings, to go beyond current NDC commitments, and sustaining political momentum towards accelerated implementation.

> **Coordinate with other alliances and initiatives such as the UK's Global Clean Power Alliance and the Brazilian led Global Coalition for Energy Planning**. The three platforms can be used to mobilise a strong joint statement by members' leaders on their commitment to accelerating implementation of the Global Stocktake and achieving the paragraph 28 on energy goals. In addition, the EU can consider approaching other alliances led by other countries.

> Consider using the upcoming Integrated Framework for European Climate Resilience and Risk management to showcase a proactive EU approach to adaptation. The framework could integrate an international dimension that recognises the needs of developing countries and can establish the EU as a leading actor in addressing global climate risk.

## 2. Partnerships that deliver

*Accelerating concrete delivery of new energy and climate partnerships to showcase model examples of what a new generation of partnerships can deliver while diversifying supply chains and strengthening diplomatic relationships.*

Why: Stronger international partnerships and bilateral relationships can deliver towards EU goals on industrial competitiveness, geopolitical objectives, energy security, access to markets and critical raw materials (CRMs), and partner goals on economic development, trade opportunities and job creation. A strategic approach that can showcase clear win-win partnership benefits will help to position the EU as a reliable partner in a volatile trading system and set a high bar for the outcomes that such partnerships deliver. Against this background,

trade and economic partnerships need to be seen as within the scope of climate and energy diplomacy. A targeted push for delivery of already announced partnerships is pivotal to show that partnerships with the EU – and climate and energy partnerships in general – are more than just words and ambitions.

How:

- **Establish principles to ensure prioritization of negotiated EU climate and energy partnerships, and subsequently criteria to prioritize projects in their respective project pipelines, to demonstrate a proactive strategy with clear objectives.** Such criteria can include maximising mutual benefits, prioritising quick wins, strengthening energy security and industrial benefits with partner countries and account for the political and socio-economic situation in partner countries. Following the forthcoming conclusion of FTA negotiations with India, for example, there would be a key opportunity to start exploring an EU-India Clean Trade and Investment Partnership (CTIP) as a complementary initiative.
- **Based on criteria for project pipelines, identify projects through a bottom-up approach with member states in coordination with implementing actors, to ensure more efficient delivery, buy-in of the member states and coherence of "Team Europe initiatives".** This can build on a partnership stocktake and encourage public-private cooperation.
- **Initiate a regular stocktake of the results of partnerships** relevant to energy and climate diplomacy – this can be done similar to the one of the previous German government. This will allow for existing and new economic partnership models, such as CTIPs, to be deployed, evaluated and adapted as global climate and energy transition dynamics evolve.
- **Create zones in strategic partner countries to align international support** for decarbonisation, adaptation, and resilience or Clean Transition Investment Zones – EU-backed manufacturing and innovation zones in partner countries that can anchor battery, hydrogen, and renewable value chains as well as circularity, remanufacturing and recycling of CRMs – to provide goal-oriented approaches that help streamline those efforts. Building on the "Net-Zero Europe Platform", in coordination with programmes such as "Global Gateway", can support the identification and creation of such zones.
- **Co-shape the EU's strategic energy partnerships based on its future energy import needs.** As part of this, develop a coherent message on future energy import needs (fossil fuels, renewables, and hydrogen) to help partners build sustainable economic models and avoid narrative mismatch between the

EU's declining oil and gas demand and its continued investment in new gas infrastructure.

> **For vulnerable fossil fuel exporting countries that are dependent on exports to the EU, the EU should consider support for economic transition**, building on its recent partnership agreement with the Beyond Oil and Gas Alliance, notably with vulnerable EU fossil fuel suppliers Algeria, Libya and Azerbaijan. The EU should also be ready to support these countries with methane emissions reduction, and also in the event of low prices, such that the response is one that advances their transition away from fossil fuel production. The EU can also work with the IMF to adequately reflect the cost of fossil fuel price volatility for both consumer and producers of fossil fuels and to develop strategies for economies to reduce their exposure[1].

> **Play a leading role in a consumer-producer dialogue that aims to enable a managed transition of oil and gas producing countries away from fossil fuel revenue** while re-envisioning their trade relationships with the EU.

> **Strengthen the EU's geopolitical leverage on the global energy markets and boost its security of supply by rallying other major oil and gas importing countries into a consumers' alliance.** Such an alliance would mitigate market manipulations by OPEC, offer mutual support and peer learning in oil and gas demand reduction and ultimately accelerate transition away from fossil fuels.

> **Explore the synergies between the EU's security and defence priorities and its energy and climate partnerships.** Analyse the EU's defence sector needs for CRMs and low-carbon goods and link these to the already existing and planned CRM and further supply partnerships, especially those in the EU Neighbourhood and on the African continent. This will both help ensuring EU's security of supply while accelerating clean energy and supply chain partnerships with key partners.

## 3. Putting EU know-how to use for the global transition

*Pairing regulatory strength with diplomatic tools to raise the bar worldwide and shape a fair, climate-compatible global economy.*

Why: This can promote and facilitate higher standards globally from a climate perspective, while bringing soft and hard power benefits.

[1] This could build on **existing IMF analysis** and be fed into its surveillance review in 2026

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How?

- **The EU can initiate a global coalition of the willing around carbon pricing and border adjustments.** This can support implementation in third countries while contributing to alignment with EU standards, building on the vast regulatory and technical expertise of the EU in this context. This can reward ambition, penalize free-riding and help to address the consumption-related dimension of emissions.
- **Establish a separate fund to support developing countries** most affected by, and least able to adapt to, the impacts of the EUs Carbon Border Adjustment Mechanism (CBAM). This could be done through establishing a separate fund to support clean industry development or increased technical assistance to cover CBAM compliance costs. This should include considering how CBAM revenues could be used to bolster the EU's international climate finance support.
- **Strengthen 'Team Europe Initiatives' to offer upstream policy assistance** to help countries with climate planning, policy framework development, and project pipeline preparation. This can provide early for support for later alignment of regulatory frameworks as for example foreseen under CTIPs.
- **Undertake targeted regulatory support to countries in the EU Neighbourhood, to create the potential for common EU-Neighbourhood supply chains and new opportunities for energy trade.** New supply chain models offer the potential to outcompete other global actors, while easier trade in energy (particularly electricity) can improve energy security for both the EU and its neighbourhood and help both regions manage renewable power generation intermittency.
- **Use the upcoming trilogues for the Omnibus on EU Sustainable Finance to ensure continued alignment between the European Sustainability Reporting Standards and standards of the International Sustainability Standards Board and confirm expectations on firms to create climate transition plans.** This will position the EU as an international leader with respect to decarbonising industry and mobilising investment in transition, with a shaping influence and relationship-building opportunity in relation to a wider cohort of countries around the world who are in the process of implementing ISSB standards.

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# Two horizontal enablers

## 1. Reliability through financial certainty

*Mobilising the EU's financial certainty, long-term development tools, and significant ODA commitments relative to other actors to drive international cooperation and unlock transformational investment.*

Why: Stepping up as a leader in relation to existing Just Energy Transition Partnerships (JETPs) and current and future Country Platforms, while delivering an effective and impactful Global Gateway, will show that the EU is a dependable long-term partner in relation to public development finance. In addition, the Commission – in particular DG INTPA - should support the co-ordination of Member State activity relating to multilateral development banks, finance forums and institutions, making Europe a more powerful and consistent actor in these contexts and helping to secure EU climate goals.

How?

- **In the face of uncertain Member State development finance programmes, offer a coherent and strategic 'Global Gateway' platform**, enhanced by a clear governance structures and well-defined objectives, to project pan-European leadership. This should include a new headline climate finance commitment for European institutions, including a dedicated target through the European budget and a new and enhanced target for the EIB.
- **Use the development finance model established with the UK as a template for similar collaborations with other non-EU donor countries**, playing an active role in enhancing the co-ordination of international climate finance beyond Europe's border and opening greater dialogue with new climate finance providers such as China and the Gulf.
- **Utilise the European Commission's multi-year budget certainty as a tool to build and enhance** mutually beneficial partnerships with key strategic partners, particularly in Africa and Latin America, by ensuring that it includes high levels of both climate-oriented and externally-oriented funds. The Commission's seven year funding window, for instance, offers a unique ability to provide long-term technical assistance that could serve as a backbone for wider European development finance support.

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> **Expand the use of risk absorption tools, such as guarantees, to mobilise private finance at scale.** Guarantees have consistently been the most effective instrument for mobilising the private sector but remain a marginal tool in international climate finance. With EMDEs struggling to attract investment amidst skewed risk perception, an offer from the European Investment Bank or through the European Fund for Sustainable Development Plus tool could significantly expand the ability of EMDEs to attract domestic and European private finance affordably and at scale, at little cost to Europe.

> **Deliver on existing JETPs, including by systematically stepping into gaps left by US withdrawal**, as well as continue to provide leadership in supporting the **development of new Country Platforms** or other relevant formats with key partner countries. This offers clear potential benefits for the European economy and investment opportunities for the European financial sector. Countries where greater EU engagement to support country platform approaches would be beneficial include South Africa, Colombia, Egypt and Nigeria.

## 2. Diplomacy by design

*Strengthening structures across internal Commission/EEAS and coordination with member states to turn diplomatic intent into delivery and geopolitical influence.*

Why: The geopolitics of global climate and energy transition changed fundamentally throughout the last year. As international engagement for the global climate and energy transition is turning more towards building strategic partnerships, this requires an integrated approach across EU institutions and member states that translates diplomacy into momentum for delivery. Such an approach increases the need for complex coordination, including for the management of key relationships with countries such as China and India but also including in light of increased budgetary pressures on development and climate finance. This can make the delivery of the global climate and energy transition nimbler and more strategically aligned while strengthening the EUs analytical capabilities.

How:

> **Ensure high-level political coordination by the Commission and EEAS building on the experiences of Member States.** For example, the coordination round for Climate Foreign Policy at the state secretary level can be transferred to a similar **coordination round for the EUs engagement on the global climate and energy transition aligning with the Clean Industrial**

**Deal on the Directorate/Deputy Directorate General** level. This should include DG ENER, DG CLIMA, DG INTPA, DG ENVI and EEAS in support of functions of the Group for External Coordination (EXCO). Inclusion DG GROW and DG TRADE can further increase alignment with the objectives of the Clean Industrial Deal.

> **Act as a point of co-ordination and strategic engagement for Member States in relation to their activity in major forums where financial and macroeconomic system reform for climate action is under discussion** including G20 and the Financial Stability Board, UN processes beyond UNFCCC, the Paris Club, and the boards of Multilateral Development Banks. A united and consistent European approach to the diplomacy of finance reform could provide a meaningful counterweight to opposing voices, helping the EU to ensure that these institutions' climate commitments are not eroded and that global climate goals are met.

> **Further develop and enhance the EU's diplomacy structures to support accelerated delivery of the global climate and energy transition in alignment with domestic goals as set out in Clean Industrial Deal through dedicated resources** and directly supporting coordination and alignment across EU institutions. For example, this could include through dedicated experts and staff of a task force with a political mandate to support alignment between EU and member states' initiatives.

> **Strengthen clear, cohesive narratives reflecting today's intricate geopolitical realities to drive the global climate and energy transition as well as analytical capabilities and coordination to ensure the EU's engagement matches partner countries' domestic political economy structure.** Commission services reflecting those mentioned for the high-level coordination round can structurally pool knowledge resources, for example through an overarching, internal platform for partnerships and partner country engagement. Such pooling can explicitly consider the local expertise of EU delegations in hubs and partner countries as well as non-governmental stakeholders. As such, it can also support engagement with disinformation campaigns the EU is facing abroad and support strategic communications towards third countries.

> **Enhance diplomacy around unilateral measures (e.g. CBAM, EUDR, EU methane regulation) to mitigate negative consequences for bilateral relationships.** This could be done by establishing a dedicated communication forum and offering increased technical assistance to help build trust in the EU as a reliable partner.

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## About E3G

E3G ASBL is registered in the EU Transparency register under 07783117686-61.

E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action. E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

More information is available at **www.e3g.org**

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