POLICY BRIEF

Green Potential – Strengthening Indo-European Climate Cooperation

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GERMANWATCH

Executive Summary

The partnership between the European Union and India has the potential to be one of the 'defining partnerships of this century.' The recent conclusion of a Free Trade Agreement (FTA) and the accompanying 'Joint India-European Union Comprehensive Strategic Agenda' underscore its relevance. As the third and fifth largest global economies respectively and as major emitters, the EU and India carry a particular responsibility to lead on climate action. Their partnership must make climate issues a key priority to realise its 'green potential' and to drive sustainable growth and resilience. Five areas are of particular importance in this regard:

1) Financing: India requires trillions for a lower-carbon development pathway. To support it, the EU and its member states must move beyond traditional budget lines. This requires championing international levies on high-emission sectors and exploring wealth taxes on ultra-rich individuals to unlock new fiscal space. Furthermore, the EU should take a leading role in reforming the International Financial Architecture (IFA), ensuring that Multilateral Development Banks (MDBs) align with the Paris Agreement and that the Global Gateway functions as a democratic alternative focused on equitable development objectives.

2) Clean tech manufacturing: The EU and India both seek to hedge against Chinese market dominance and ensure supply chain security while pursuing growth and development strategies. To do so, the partnership must follow a realistic approach that does not exacerbate inequality, scales up and institutionalises just transition efforts, and integrates social safeguards. A Clean Trade and Investment Partnership (CTIP) could complement the Free Trade Agreement by focusing on local value creation through support for MSMEs. This should be underpinned by an innovation partnership, promoting links between European and Indian hubs.

3) Industrial decarbonisation: To bridge the remaining irritations around the EU's Carbon Border Adjustment Mechanism (CBAM), the EU must refine its diplomatic strategy, proactively consult stakeholders, and potentially recycle CBAM revenues to support industrial transformation in the Global South. Cooperation on green hydrogen remains a focus of Indo-European climate cooperation, but it must be grounded in a transformative vision. Efforts should prioritise domestic needs and the export of green materials rather than energy carriers alone.

4) Adaptation: As both regions face increasingly ferocious climate impacts, adaptation must be elevated to a distinct and equal pillar of the partnership. With accruing losses in India and the EU, there is significant room for South-North cooperation and mutual learning. Cooperation on disaster management and Early-Warning-Systems as well as research is important. Joint work on improving availability and access to empirical data will be essential to bridge the adaptation gap.

5) Expanding the scope: To be truly strategic, the partnership must expand its reach. This requires an enabling environment for civil society, whose role is currently underdefined and limited. Meaningful participation of civil society organisations is vital for democratic legitimacy. Furthermore, the EU should support Indian leadership within the UNFCCC and expand engagement with India-led plurilateral initiatives. By exploring these synergies, the EU and India can forge a leading green South-North partnership that translates promise into practice.

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1 Introduction

'The EU and India have the potential to be one of the defining partnerships of this century,' said European Commission President Ursula von der Leyen during her visit to India in February 2025.[1] A year later, the EU and India agreed on a long-awaited Free Trade Agreement (FTA) linking two billion people and about a fifth of global GDP under one of the largest agreements of its kind ever. Both sides also published a 'Joint India-European Union Comprehensive Strategic Agenda' towards 2030, setting out key areas of future cooperation. Many political leaders, commentators, and experts have agreed for years that the Indo-European partnership holds great potential – and now the political momentum to realise that potential is gathering pace. At a time when the effects of the climate crisis are increasingly devastating and fossil fuel dependencies are exposed as tremendous geopolitical risks, the partnership between the EU and India must place climate issues firmly at its centre.

Globally, climate action remains deeply insufficient, while extreme weather events, prolonged draughts, and heat stress are becoming more frequent and severe. The multilateral system is under stress, conflicts between petrostates, electrostates, and those in between are on the rise while the prospect of keeping global warming at 1.5°C is slipping further out of reach. Against this backdrop, both the EU and India have both a particular responsibility and an opportunity to lead. EU and India are the world's third and fifth largest economies respectively. At the same time, they are also two of the world's largest emitters, and both have made efforts to address the climate crisis. The EU aims to become the first climate-neutral continent by 2050, and has cut emissions significantly in recent decades, while India has made rapid progress on its climate targets, with per capita emissions remaining low. Yet, much of the 'green potential' of their relationship remains untapped.

This policy brief highlights this potential in five areas – financing, clean tech manufacturing, industry decarbonisation, adaptation, and in expanding the scope of the partnership – where joint EU-India efforts can be particularly useful. This is not an exhaustive list. Sustainable infrastructure, critical minerals, and EVs are among the sectors which also warrant greater attention. Moreover, although potential is enormous, there is also a risk of promoting over-reliance on questionable solutions and sending mixed signals, like nuclear cooperation and carbon capture, utilization, and storage (CCSU), instead of a clear mitigation focus. Comprehensive climate cooperation between the EU and India is not only necessary but mutually beneficial, opening the development pathways of the future and supporting sustainable growth and resilience.

2 The state of Indo-European climate cooperation

There is little doubt about the current political momentum in Indo-European relations. The EU-India Summit in late January 2026 was but the latest of a series of high-level meetings and visits over the last couple of years with heads of states and ministers eager to deepen a relationship that is increasingly regarded by both sides as strategically and economically essential.[2]

[1] Von der Leyen, U. (EU Commission), 2025, The Consequential Partnership: Reimagining and realigning EU and India ties for today's world, (accessed 12 February 2026)

[2] cf. Ministry of External Affairs India (MEA), 2025, Visit of External Affairs Minister to the European Union and Belgium June 09-11, 2025 (accessed 12 February 2026), Ministry of External Affairs India (MEA), 2025, Visit of External Affairs Minister to

The EU is India's largest trading partner in goods, accounting for 11.5% of India's total trade in 2024 (EUR 120 billion) with total goods trade between both sides rising over 90% over the last decade. India meanwhile is one of the world's fastest growing economies and the EU's ninth largest trading partner.[3] The partnership with India has become increasingly relevant as the EU seeks to build greater strategic autonomy by diversifying its economic relations to hedge against protectionism and geopolitical volatility. Similarly, India has accelerated its outreach to Europe with an aim to increase exports and investments, strengthen 'Atmanirbhar Bharat' (self-reliance), and become a 'developed' USD 30–40 trillion economy by 2047 under the Viksit Bharat initiative.[4]

Over the last decades, EU-India cooperation on global issues, particularly on climate and energy, has expanded to encompass a vast array of initiatives, working groups, and partnerships.[5] India and the then European Economic Community established diplomatic ties in the early 1960s. Since then, major steps included the establishment of a Strategic Partnership in 2004, followed in 2005 by the India–EU Initiative on Clean Development and Climate Change. The architecture around Indo-European climate cooperation grew further in the wake of the Paris Agreement with the announcement in 2016 of a Clean Energy and Climate Partnership[6] which continues to form an umbrella until today focusing on renewables, energy efficiency, and green hydrogen among other areas. Strategically, these steps were complemented in 2020 by a five-year Roadmap outlining priority areas, including climate, energy, and the environment.[7] In 2022, the Trade and Technology Council was established with both sides seeking to reduce their dependencies in times of intensifying competition in emerging clean technologies.[8]

India's relations with EU member states have also grown closer. Germany established a large cooperation portfolio framed by its Green and Sustainable Development Partnership (GSDP), committing at least EUR 10 billion, primarily in loans, between 2022 and 2030 for sectors ranging from green mobility to Agri-PV and grids.[9] France has worked closely with India on solar energy, notably cofounding the International Solar Alliance in 2015, and advancing cooperation in urban sustainability and adaptation. Among other things, Denmark has supported wind energy and sustainable cities, culminating in a dedicated 2020 Green Strategic Partnership,[10] while India and Sweden launched the joint Leadership Group for Industry Transition (LeadIT),[11] which promotes low-carbon pathways in heavy industries.

Germany May 22-24, 2025 (accessed 12 February 2026), Aspengren, H. et al. (Swedish Institute of International Affairs), 2021, EU-India Relations: The Strategic Partnership in the Light of the EU's Indo-Pacific Strategy (accessed 12 February 2026).

[3] European Commission, 2025, EU trade relationships by country and region: India (accessed 12 February 2026).

[4] Kiel Institute for the World Economy, 2026, Kiel Policy Brief: No. 172 (accessed 12 February 2026), Viksit Bharat, 2025, Viksit India (accessed 12 February 2026).

[5] Centre for Social and Economic Progress (CSEP), 2023, Tracks to Transition: India's Global Climate Strategy (accessed 12 February 2026)

[6] European Council, 2016, Joint Declaration between the European Union and the Government of India on a Clean Energy and Climate Partnership (accessed 12 February 2026).

[7] Centre for Social and Economic Progress (CSEP), 2023, India-EU Climate Relations: Mapping Diplomatic Engagements (accessed 12 February 2026).

[8] Heinrich-Böll-Stiftung, 2025, Tapping the Momentum of the EU-India Trade and Technology Council (accessed 12 February 2026), European Parliamentary Research Service (EPRS), 2024, EU-India Trade and Technology Council: Key Issues (accessed 12 February 2026).

[9] German Federal Ministry for Economic Cooperation and Development (BMZ), 2026, India-Germany Green and Sustainable Development Partnership (GSDP) (accessed 12 February 2026).

[10] Ministry of Foreign Affairs Denmark, 2026, Green Strategic Partnership: Denmark in India (accessed 12 February 2026).

[11] Leadership Group for Industry Transition (LeadIT), 2026, Driving the Low-Carbon Transition of Heavy Industry (accessed 12 February 2026).

An important new step in consolidating the relationship between the EU and Indian is the conclusion of an FTA and a 'Joint India-European Union Comprehensive Strategic Agenda' towards 2030 during the 2026 EU-India Summit. The FTA in particular has been hailed as 'the mother of all deals' by both sides.[12] It is strong in symbolism at a time of rising protectionism and substantive. Tariff reductions on machinery and electronics could support Indian transformation efforts and complement cooperation on hydrogen, carbon pricing, and clean tech manufacturing. It also promises solutions for persistently thorny issues, especially around the EU's Carbon Boarder Adjustment Mechanism (CBAM).[13]

However, observers have pointed out that despite the flowery rhetoric and potential gains in GDP, Indo-European rapprochement is motivated more by strategic necessity than by values or voluntary choice. It is a response to a volatile geopolitical context where the US has become an unpredictable and sometimes openly hostile actor and to the increasing pressure of Chinese market dominance in key industrial sectors, from renewable energy production and EVs to critical minerals. Moreover, Indian and European civil society organisations have raised serious concerns about the continuing normalisation of democratic backsliding in both the EU and India , while criticising not only the FTA's lack of transparency and fairness but also its potentially detrimental impact on equality, climate and environment, labour rights, health, agriculture, and many other areas.[14]

Although the partnership is deepening, it is important to steer it towards ambitious climate action supporting just, democratic, and inclusive transformation pathways in the EU and India alike. In this regard, it will be essential to implement agreed initiatives, as outlined in the Joint Strategic Agenda, and to focus attention on key, high-impact sectors that are outlined in the following.

3 Key areas of cooperation

3.1 Financing

Financing remains one of the most politically charged and structurally complex aspects of global climate cooperation. While both India and the EU acknowledge the need for greater financial flows to support climate action, significant issues persist on the international level and between the partners.

Although Indian financial needs are immense, domestic development is progressing rapidly. Recent estimates indicate that India could require cumulative investments of USD 22.7 trillion for a lower-carbon development pathway that achieves the government's goal of net-zero by 2070, with the power sector accounting for more than half of it.[15] Today, domestic resources finance most climate action in India with impressive growth in areas such as renewables and accessibility. India has also reportedly contributed USD 1.28 billion to multilateral development banks in 2022 and has taken a

[12] European Commission, 2026, Statement by President von der Leyen on the occasion of the EU-India Leaders' Meeting (accessed 12 February 2026).

[13] CarbonCopy, 2026, India-EU FTA anchors climate and trade in a fracturing global order (accessed 12 February 2026).

[14] Rosa-Luxemburg-Stiftung, 2023, India: Development Opportunities or Challenges? (accessed 12 February 2026), Centre for Financial Accountability (CFA), 2022, Civil Society Consultation on India-EU Free Trade Agreement (accessed 12 February 2026), Third World Network (TWN), 2025, Raw materials and resource-shackling under the EU's FTA texts (accessed 12 February 2026), Diaspora in Action For Human Rights and Democracy, 2024, EU-India FTA Dossier (accessed 12 February 2026).

[15] NITI Aayog, 2026, Scenarios Towards Viksit Bharat and Net Zero: An Overview (Vol. 1) (accessed 12 February 2026).

leadership role in plurilateral climate initiatives such as the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure, joined by several EU countries. Multilaterally, the country has long championed equity and higher financial commitments in the UN Framework Convention on Climate Change (UNFCCC) system, arguing that developed countries, including the EU, are not fulfilling their climate finance responsibilities under the Paris Agreement, with the New Collective Quantified Goal (NCQG) at COP29 being a particular disappointment.

The EU meanwhile considers the NCQG negotiations a success and has sought to position itself as a leader in global climate action, aiming to become the 'first climate-neutral continent' by 2050.[16] EU institutions and member states are currently the world's largest provider of climate finance, contributing a combined EUR 28.9 billion in 2022. India has so far been one the countries that has received the most funding.[17] Major European investment instruments like the Global Gateway support sustainable transport, energy, and digital networks in India through an at times convoluted 'Team Europe' approach as well as various topical high-level dialogues.[18] Likewise, the Europea Investment Bank (EIB) has reportedly invested more than EUR 6 billion in India in the last three decades. Main sectors are transport and renewable energy, with the bank funding metro projects in major Indian cities such as Agra, Bangalore, and Pune.[19] Member states will also invest billions in India's green transition over the coming years. Germany's Green and Sustainable Development Partnership for instance has the goal of providing EUR 10 billion of new and additional commitments by 2030.

Over the decades, the EU and its member states have established themselves as reliable partners with substantial project portfolios in India. However, the landscape of European development cooperation is shifting. The Commission and member states are moving to reduce Official Development Assistance (ODA) and climate finance or to encourage stronger private sector engagement in times of domestic fiscal and political pressures. Major funding instruments have been criticised for their intransparency and for prioritising European business interests over equitable development in partner countries.[20] Moreover, bilateral cooperation with India is embedded into an international financial architecture (IFA) that has long disproportionately benefitted the Global North, and often hampers climate action, especially in the Global South.[21] Financial and technological support are not discretionary aid or tools to be redirected at political whim but obligations, given Europe's historical responsibility for the climate crisis and its position in the global economy. Such support is also geopolitically essential to strengthen the kind of global South-North coalitions that are increasingly important to secure supply chains and ensure reliable sustainable growth in a volatile geopolitical context.

3.1.1 Expand fiscal space

The EU should rapidly increase its public climate finance contributions to support global climate action, and it should advocate for member states to do the same. To bridge the widening gap between shrinking national budgets and growing urgency for climate action, the EU must look beyond

[16] European Commission, 2024, A European Green Deal (accessed 12 February 2026).

[17] Climate Action Network Europe, 2024, Assessing International Climate Finance by the EU and Member States (accessed 12 February 2026).

[18] European External Action Service (EEAS), 2023, Global Gateway and EU-India Connectivity Partnership (accessed 12 February 2026).

[19] European Investment Bank (EIB), 2026, The EIB in India (accessed 12 February 2026).

[20] Eurodad / Counter Balance / Oxfam, 2024, Who profits from the Global Gateway? The EU's new strategy for development cooperation (accessed 12 February 2026).

[21] Zaki, N. (Germanwatch), 2025, The Environmental Toll of Tax Dodging by the Ultra-Wealthy (accessed 12 February 2026).

traditional budget lines and unlock new fiscal space through innovative financing mechanisms. To mobilise the necessary resources to increase existing ODA commitments, the EU and its member states should champion international levies on high-emission sectors, such as shipping and aviation, and explore wealth taxes on ultra-rich individuals. These measures follow the 'polluter pays' principle, ensuring that the largest emitters and those with the greatest capacity to pay contribute their fair share. Furthermore, the EU should actively support the UN Framework Convention on International Tax Cooperation[22] to curb illicit financial flows and tax evasion, thereby recovering billions in lost revenue that can be redirected toward social and climate causes. Crucially, policymakers must ensure that revenues from these innovative sources are additional to existing development and humanitarian aid budgets, preventing the cannibalisation of funds intended for acute crises.

3.1.2 Reform the Global Gateway

The Global Gateway is positioned as the EU's democratic and sustainable alternative for just and equal partnerships. With is role likely to expand in India and elsewhere under the EU's new Multiannual Financial Framework, it will be more imperative than ever to cater to partner countries' priorities in a fair and inclusive manner. This requires a sharpening of the Global Gateway as an instrument to provide ODA with its primary mission centred around poverty reduction, sustainable development, and solidarity. To ensure the Global Gateway delivers results, the EU must also set high standards in decision-making, procurement, transparency, and implementation both at the governance and project level, and it must strengthen public and parliamentary oversight of the instrument.[23]

3.1.3 Reform the international financial architecture

The EU must take a leading role in reforming the international financial architecture to ensure fair, sustainable, and accessible climate financing, particularly for the Global South. The EU and India agreed in their Strategic Agenda to collaborate on 'an inclusive and efficient international financial architecture',[24] a promise between two major economies that has the potential to drive real progress and now requires operationalisation. Among key issues to address, the EU should advocate reforms of the International Monetary Fund (IMF) to prioritise sustainable and inclusive economic development. This includes member states redistributing unused Special Drawing Rights (SDRs) to support climate action in the Global South.[25] Likewise, the EU and its member states should push for a strong alignment of other financial institutions such as Multilateral Development Banks (MDBs) with the goals of the Paris Agreement, e.g. via robust methodologies to evaluate their operations.[26] While private and blended finance can complement public funding, they cannot replace it, especially when it comes to adaptation and loss and damage, which often require grant-based support. Public funding for these purposes must be provided in addition to funds allocated for development

[22] Groeber, C. / Zaki, N. / Minninger, S. (German Climate Finance), 2025, FfD4: A turning point for climate finance? What the conference in Sevilla must deliver for global climate justice (accessed 12 February 2026).

[23] Eurodad / Counter Balance / Oxfam, 2024, Who profits from the Global Gateway? The EU's new strategy for development cooperation (accessed 12 February 2026).

[24] Ministry of External Affairs India (MEA), 2024, Towards 2030: A Joint India-European Union Comprehensive Strategic Agenda (accessed 12 February 2026).

[25] Groeber, C. (Germanwatch), 2025, Innovative Use Options for the IMF's Special Drawing Rights: Debunking Common Concerns of German Policymakers, (accessed 12 February 2026).

[26] Grimm, J., Argueta, B. Gebel, A., 2024, Multilateral Development Banks' Paris Alignment Methodologies. Best Practice and Suggestions for Improvement (accessed 12 February 2026).

and humanitarian needs, and most not compete with them.[27] A focus on grants and highly concessional loans also prevents a deepening of the debt burden plaguing many countries in the Global South.

3.2 Clean tech manufacturing

The manufacturing of clean technologies, from solar panels to green steel and batteries, has emerged as a key arena of global competition, with both the EU and India seeking greater diversification and self-reliance. With China having captured large parts of supply chains and increasingly taking the lead on innovation, joining forces and exploring synergies is a great strategic opportunity for Indo-European cooperation.

Clean tech manufacturing and renewables deployment are central to the Indian government's industrial development strategy. 'Viksit Bharat,' a key initiative to turn India into a developed country by 2047, explicitly includes the goals of becoming a global manufacturing hub, powering green energy deployment and promoting inclusive development.[28] India has made substantial progress in expanding renewable energy capacity, which stood at 253.96 GW in early 2024 and recorded its highest ever renewable energy capacity addition in 2025.[29] Reportedly, the country also surpassed its target of 50% installed non-fossil capacity by 2030 five years ahead of schedule.[30] Though coal remains essential, per capita emissions are low, and India's industrialisation could avoid the fossil-intensity that once powered China and the Global North.[31] As part of a concerted push to capture increasing parts of the value chain, the Indian government has launched major initiatives such as the Production Linked Incentive (PLI) scheme in 2020, which seeks to attract investments in manufacturing and green supply chains. Estimates suggest that the Indian green manufacturing market, including solar, wind, and batteries, could reach USD 90–135 billion by 2030 and generate 1.8 million jobs.[32]

For the EU this presents a compelling case as it seeks greater diversity in its trade relations, markets for its industries, and stability in trusted partnerships. At home, the EU has sought to spur clean tech manufacturing and strengthen its struggling industrial base with a mix of industrial policy such as the Green Deal Industrial Plan, de-regulation including the Competitive Compass, and the Industrial Accelerator Act. In India, the EU and its member states have established themselves as partners in the country's transition efforts. The European Investment Bank (EIB) pledged EUR 200 million loan to support India's National Solar Mission for renewables uptake and efficiency measures EUR 800 million in 2017 to support solar deployment in partnership with the International Solar Alliance.[33]

[27] Climate Action Network Europe, 2024, Assessing International Climate Finance by the EU and Member States (accessed 12 February 2026).

[28] The Government of India, 2026, Viksit India (accessed 12 February 2026).

[29] Ministry of New and Renewable Energy India, 2025, 2025 Marks Highest-Ever Renewable Energy Expansion in India's Energy Transition Journey (accessed 12 February 2026).

[30] Jayakumar, P.B. (Fortune India), 2025, India aims to produce 900 GW of renewable energy by 2032, Times of India, 2025, India's renewable energy capacity triples in a decade; reaches 232 GW, eyes 500 GW by 2030 (accessed 12 February 2026).

[31] Bond, K. / Sinha, S. (EMBER), 2026, India's electrotech fast track: Where China built on coal, India is building on sun (accessed 12 February 2026).

[32] Bharat Climate Forum / Council for International Economic Understanding / Dalberg, 2026, Blueprint for India's Cleantech Manufacturing Ambition, (accessed 12 February 2026). https://dalberg.com/wp-content/uploads/2026/01/Blueprint-for-Indias-Cleantech-Manufacturing-Ambition_2026-2.pdf

[33] European Investment Bank, 2017, India: EIB confirms EUR 200 million long-term loan to State Bank of India to support Indian large scale solar projects (accessed 12 February 2026), European Investment Bank, 2017, India: EIB partners with International Solar Alliance and confirms EUR 800 million support for renewable energy (accessed 12 February 2026)..

Germany's KfW has financed large-scale solar and wind projects, including solar parks in Maharashtra and wind farms in Tamil Nadu, under a EUR 1 billion Indo-German solar partnership active since 2017.[34]

At the same time, more than a fuel switch and build-up of industries, India's transition is one of multitudes under highly complex conditions and at a massive scale. The country's energy demand is expected to grow by nearly 3% annually until 2035 with a rapidly growing economy and population.[35] It is estimated that India needs 10 million additional jobs annually[36] to reap its 'demographic dividend' of a population with a median age of just 28 years (45 in the EU4).[37] While the transition is expected to generate growth and employment, it also poses substantial risks for workers in carbon-intensive industries, as well as systemic barriers for already disadvantaged groups, like women, informal labourers, and people with disabilities, who are less likely to take advantage of the emerging opportunities. A just transition is therefore essential to India's sustainable future.[38] Moreover, the large-scale clean tech projects that drive renewables uptake are raising concerns over land and resource use and the fair distribution of benefits. Investments in India tend to flow in industrialised regions that are already better off, producing few, relatively high-skilled jobs. Current industrial advances are led by a select group of large conglomerates,[39] which can crowd out small and medium sized enterprises, with much of the upstream products and assembly technology imported from abroad and the benefits of growth concentrated at the top, exacerbating inequalities. Domestic innovation in clean tech is also held back by relatively low Research and Development expenditures.[40] The EU-India partnership needs to navigate this difficult terrain. To realise its potential, it must ensure a realistic approach that supports manufacturing but does not exacerbate inequality, while prioritising social justice and transition approaches.

3.2.1 Scale-up just transition efforts

India's clean tech industrialisation must be just, first and foremost empowering and providing for its people. This requires social security frameworks, reliable healthcare access, and protections that prevent workers from being left behind. If well-designed, social safeguards constitute productive investments, improving human capital, fuelling domestic demand, and boosting productivity.[41] The EU and its member states must therefore consistently integrate social safeguards into their development cooperation, especially when they finance large-scale projects, and ensure stringent Environmental, Social, and Governance standards and due diligence for private sector cooperation.[42] The EU e.g. via its Just Transition Fund as well as many member states can draw on their own experience with such policies, creating the opportunity for mutual learning with Indian stakeholders. The EU and India should institutionalise exchange via a dedicated just (or people-centred) transition

[34] KFW Development Bank, 2023, Approximately EUR 1 billion for the energy transition in India: KfW supports Indo-German solar energy partnership (accessed 12 February 2026).

[35] International Energy Agency (IEA), 2025, World Energy Outlook 2025 (accessed 12 February 2026).

[36] Economic Times, 2024, India needs 10 million jobs annually to fuel growth: Goldman Sachs (accessed 12 February 2026).

[37] EAC International Consulting, 2024, India's Demographics: A Driving Force for Economic Growth and Global Influence (accessed 12 February 2026).

[38] Jairaj, B. / Kochhar, S. (WRI India), 2024, The Role of Social Security in India's Low-carbon Journey (accessed 12 February 2026).

[39] Times of India, 2022, Adani to build 3 giga factories as part of $70 billion green investment (accessed 12 February 2026).

[40] Bharat Climate Forum / Council for International Economic Understanding / Dalberg, 2026, Blueprint for India's Cleantech Manufacturing Ambition, (accessed 12 February 2026).

[41] Jairaj, B. / Kochhar, S. (WRI India), 2024, The Role of Social Security in India's Low-carbon Journey (accessed 12 February 2026).

[42] See for example Schufft, F., 2026, The Impact of Due Diligence Legislation. Practical Examples from the Implementation of the German Supply Chain Act (LkSG), (accessed 12 February 2026).

forum including a broad set of stakeholders and a cross-sectoral approach.[43] This should be complemented by enhanced cooperation on (re-)skilling to enable people to partake in the new green industries and address India's skill gap. The recently agreed EU-India Education and Skills Dialogue is a promising opportunity to streamline support for domestic skills development in clean tech sectors and for workforces affected by transitions. Its current focus on enhancing migration mobility for high-skilled workers to the EU is worthwhile but must not come at the expense of India's domestic talent and skill needs. A pan-European approach could draw on existing member states efforts like Germany, which has set up a dedicated green skills cooperation with India and plans to institutionalise it further.[44]

3.2.2 Manufacturing

A comprehensive strategy coordinated among the institutional architecture of the partnership including the Trade and Technology Council, Clean Energy and Development Partnership and various Working Groups and Dialogues is necessary to support Indian efforts to build up clean tech manufacturing capacities while catering to the EU's interest in enhancing competitiveness and supply chain security. One tool can be a Clean Trade and Investment Partnership (CTIP) introduced by the EU as a part of the Competitiveness Compass and Clean Industrial Deal. It will be crucial to co-design such a partnership with India from the beginning, taking into consideration Indian needs and development plans. A CTIP could facilitate investment and trade flows for specific green sectors, complementing the FTA. High-level political support embedded in coherent coordination between the Commission and member states will be essential. If well designed, a CTIP can provide regulatory compatibility, predictable funding, technology, and transparency.[45] A focus must be to advance local value creation through micro, small, and medium sized enterprises (MSMEs), which are key levers for a deep and just transition, employment generation, and regionally distributed opportunities at scale in India. Their challenges have been acknowledged in the G20 New Delhi Leaders Declaration in 2023, and the Free Trade Agreement increases market access for MSME-dominated sectors to the EU. Both sides also agreed on better information sharing, including by establishing SME Contact Points.[46] It will be imperative, however, for the Indo-European partnership to complement these steps with targeted support for MSMEs in areas such as financing, energy efficiency, and knowledge building, linking with existing Indian efforts and making them an integral element of the partnership.[47]

3.2.3 Technology and innovation

Technology cooperation and joint Research and Development of clean tech are essential to create a world-leading Indo-European innovation partnership. The EU, despite losing ground in global in green manufacturing supply chains, is still a major producer and an important technology develop-

[43] See also Chennamaneni, L. (Germanwatch), 2024, Opportunities for International Co-operation on India's Just Energy Transition: Taxation, Re-regulation, Community-based Models. (accessed 12 February 2026).

[44] Ministry of External Affairs India (MEA), 2022, Joint Declaration of Intent between the Government of the Republic of India and the Government of the Federal Republic of Germany on the Indo-German Green and Sustainable Development Partnership (accessed 12 February 2026).

[45] Jackson, S. (NewClimate Institute), 2025, Getting Clean Trade Partnerships right: A win for the EU and developing countries (accessed 12 February 2026).

[46] European Commission, 2023, EU-India Trade and Technology Council: Report on the first Ministerial Meeting (accessed 12 February 2026).

[47] Gowthami, T.S. / Shah, S. (WRI India), 2024, Greening MSMEs: Critical to India's Clean Energy Transition (accessed 12 February 2026).

ment hub with a significant number of patents, talent, equipment, and institutional capacities. Promoting links between the European Innovation Hubs Network (EIHN), Indian Institutes of Technology (IITs) and its broader higher-education sector alongside the successful association of India with the Horizon Europe program are logical next steps.[48] Specific attention should be paid to support for early-stage academic research and multi-stakeholder collaboration including industry, academia, private sector and start-ups, civil society organisations (CSOs), and policymakers.[49] The Trade and Technology Council can serve as a necessary institutional forum to strengthen these processes as well as to facilitate rapprochement on matters of intellectual property rights, standard setting, and regulation. Technology cooperation, rather than transfer, is essential to capitalise on synergies and to embed development progress on a local level within India.

3.3 Industry decarbonisation

Part of building clean tech manufacturing capacities is cooperation on the green transition of heavy industries. Both the EU and India are major producers and consumers of carbon intensive products, such as steel, aluminium, and cement, and share the need to move towards more sustainable modes of development. In this context, the EU's Carbon Border Adjustment Mechanism (CBAM) has become a major source of irritation. Under the CBAM the EU requires importers to pay a price on carbon-intensive goods from outside the EU, equivalent to the carbon costs EU producers face under the EU Emissions Trading System (ETS). It came into force in early 2026 and initially covers a limited set of goods like iron, steel, and aluminium. The EU Commission has argued that the CBAM, as an essential component of the ETS system, is necessary not only to protect European industries from being unfairly undercut by imports from countries with low or no carbon pricing but to avoid carbon leakage.

While the CBAM neatly follows a dominant global approach to establish domestic carbon markets, in doing so the EU's policies have significant external effects on exporting countries associated with serious reputational and economic risks that could hinder, rather than drive, international cooperation and climate action. Major economies of the Global South regard the CBAM as an unfair unilateral trade measure in potential contravention of World Trade Organization (WTO) rules.[50] India is one of the countries that is going to be most exposed, in particular its iron and steel sector, which sent almost a third of its exports to the EU (28% in 2022/23). Overall, almost 10% of India's total exports of goods to the EU could be affected by significant price increases,[51] and key industries could face additional compliance costs of USD 2–4 billion annually.[52] Moreover, the EU has been criticised for insufficiently consulting affected countries while the CBAM was designed, reminiscent of the failed Just Energy Transition Partnership negotiations with India. This carries the risk of perpetuating the perception of Global North-dominated agendas with little regard for the context in the Global South through which the Global North seeks to shirk its own historical responsibility for decarboni-

[48] Kathuria, R. / Sánchez-Cacicedo, A. Heinrich-Böll-Foundation, 2025, Tapping into the Momentum: The EU-India Trade and Technology Council (accessed 12 February 2026), European Commission, 2026, EU and India launch talks on Horizon Europe association (accessed 12 February 2026) (accessed 12 February 2026)..

[49] Patel, K. et al. (Sustainable Futures Collaborative), 2025, One Lakh Crore for Innovation: Getting strategic about clean energy R&D (accessed 12 February 2026).

[50] Knigge, L. (Table.Briefings), 2023, Commission rejects India's criticism of CBAM, (accessed 12 February 2026).

[51] Dev, T. / Goswami, A., Centre for Science and Environment (CSE), 2024, Carbon Border Adjustment Mechanism (CBAM) (accessed 12 February 2026).

[52] Down To Earth, 2026, Mother of all deals: India-EU Free Trade Agreement locks in market access, but climate compliance looms large (accessed 12 February 2026).

sation and to undermine the principle of Common but Differentiated Responsibilities and Respective Capabilities.[53]

The Indian government and major producers have acknowledged that industrial transformation is imperative. For instance, Indian steel production is set to double by 2030, mostly through high-emitting, coal-based plants.[54] The industry is already responsible for 12% of the country's total emissions, and a coal-reliant expansion could reduce India's international competitiveness, lock in inefficiencies, and threaten its 2070 net-zero target.[55] India has developed a variety of measures including a Green Steel Taxonomy and a Carbon Credit Trading Scheme (CCTS) that covers selected sectors with emission intensity targets. Green hydrogen in particular has become a key pillar not only of the Indian government's industrial development strategy but also of the climate cooperation between the EU and India. European needs for imports of green hydrogen and its derivates align well with India's goal to become a global hub for green hydrogen. The Ministry of New and Renewable Energy (MNRE) has launched the National Green Hydrogen Mission creating production incentives for electrolysers and green hydrogen, targeting 5 million metric tonnes production capacity by 2030. Thus, the government wants to cater both to growing domestic demand, expected to double by 2030, and to rising global demand, 10% of which it wants to capture via exports by 2030.

The EU and its member states likewise see green hydrogen as an indispensable part of their decarbonisation strategy. They have invested significantly in the establishment of a global market, production, and off-take opportunities, with India becoming a key partner. Fittingly, in the third phase of the India-EU Clean Energy and Climate Partnership (2025–2028), green hydrogen is a focus area; and it was agreed to set up a dedicated task force during the Summit in January 2026. In addition, the European Investment Bank has joined the Indian Hydrogen Alliance to increase support through indicative funding of EUR 1 billion for large-scale green hydrogen hubs.[56] Moreover, many member-state-led initiatives exist, with Germany and India following a bilateral green hydrogen Roadmap and setting up a dedicated subgroup on green hydrogen with a focus on private sector cooperation. New funding, including for hydrogen cooperation encompassing EUR 1.24 billion under the GSDP, was also announced when German Chancellor Merz visited India in January.

At the same time, the push to produce hydrogen in a water and electricity scarce country such as India, destined for loss-heavy exports, has raised concerns over green extractivism, environmental impacts, community welfare, and inefficiencies. European support for green hydrogen projects abroad has been marred by serious problems in the past,[57] undercut as it was by mixed domestic signals[58]. In India's domestic market, grey hydrogen is still cheaper, and a lack of adequate infrastructure and domestically produced technology complicate green hydrogen uptake at scale.[59] The EU-India partnership can build on established schemes and political momentum in the field to create opportunities for European industry cooperation, but it must be mindful that support for green industrialisation – be it a credible rapprochement on the CBAM or the expansion of green hydrogen – is grounded in a comprehensive transformative vision, centring lives and livelihoods.

[53] cf. Gläser et al. (Germanwatch), 2021, Less confrontation, more cooperation, (accessed 12 February 2026).

[54] Euronews, 2025, India's steel industry expansion plans threaten national and global emissions goals: report (accessed 12 February 2026).

[55] Global Energy Monitor, 2025, Hitting global goal for green steel hinges on progress in India (accessed 12 February 2026).

[56] European Investment Bank (EIB), 2023, EIB backs green hydrogen deployment in India and joins India Hydrogen Alliance (accessed 12 February 2026).

[57] Balanyá, B. / Moodley, Y. (Corporate Europe Observatory), 2025, EU's dirty hydrogen push in South Africa revealed (accessed 12 February 2026).

[58] Nature Editorial, 2026, EU leaders should not rush to revamp green-hydrogen rules, (accessed 26 February 2026).

[59] Suman, S. / Swain, A.K. (Sustainable Futures Collaborative), 2025, Beyond the Hype: Opportunities and Limits of India's Green Hydrogen Pursuit (accessed 12 February 2026).

3.3.1 Dialogue, transparency, understanding

It is key for the EU to refine its diplomatic strategy, learn from mistakes, and build awareness for the impacts and perceptions of its policies abroad. This includes complementing the framing of CBAM as an incentive with a clear recognition of EU policies' effects on other countries and regions. Part of the learning process also involves proactive and extensive consultation with a wide set of stakeholders at an early stage and to take Indian concerns seriously. The FTA now includes a rapid reaction mechanism to resolve disputes over the CBAM and similar future regulatory matters. When operationalised effectively, this is a productive step to strengthen the functioning of the partnership's architecture. Moreover, the EU and its member states should collectively step up their climate policies and ambition to send powerful signals of commitment to partner countries. The EU's domestic developments have an international audience. Efforts to reverse the European Green Deal, weaken the Supply Chain Due Diligence Mechanism, or delay carbon pricing[60] directly undermine the long-term reliability that both businesses and governments expect from the Indo-European partnership as a credible antidote to the erraticism elsewhere.

3.3.2 Substance over rhetoric

Narratives must be underpinned by substance, and the EU-India Summit has identified a number of possible avenues which, if properly implemented, could lead to real progress. The EU and member states must work on a concerted industrial decarbonisation partnership with India, with financial, technology, and regulatory cooperation at its core.[61] To finance such a partnership (see also chapter 1) and to alleviate concerns over undue protectionism, the EU could recycle parts of the CBAM revenues to support industrial transformation in the Global South with trading partners included in the decision-making process.[62] Though important, the estimated EUR 1.5 – 2 billion in revenue[63] (only some of which would go to India) must be complemented by other financial instruments. The EU's pledge of a EUR 500 million Green Transition Assistance package for India's steel and aluminium industries is an important signal in this regard but will likely be linked to specific projects with allocation, eligibility criteria, and disbursement not yet finalised.[64] A more durable, long-term cooperation and financing strategy linking with existing initiatives, such as the Indo-Swedish Leadership Group For Industry Transition (LeadIT), should be a priority for the partnership. Moreover, regulatory complementarity and technological cooperation are essential to support robust Monitoring, Reporting, and Verification (MRV) programmes in India. Large Indian conglomerates may have the capital to adopt to these new requirements relatively easily, but the vast network of MSMEs faces severe technological and financial constraints which requires far more attention.[65] Currently, India is implementing its CCTS. With its 'baseline-and-credit' approach it differs significantly from the 'cap-and-trade' model of the EU ETS, offering limited immediate complementarity. This will likely require

[60] Jansen, J. / Jaeger, P. (Jacques Delors Centre), 2025, Europe is hollowing out its Green Deal, leaving a vacuum of political vision for others to exploit (accessed 12 February 2026).

[61] cf. Goswami, A. / Dev, T. (Centre for Science and Environment, CSE), 2024, Towards a New Green World: Clean technology manufacturing—navigating the green industrialization dilemma (accessed 12 February 2026).

[62] Cf. Gläser et al. (Germanwatch), 2021, Less confrontation, more cooperation, (accessed 12 February 2026).

[63] Mitchell, I. / Cichocka, B. (Center for Global Development, CGD), 2024, Transforming EU Climate Leadership through CBAM Reform (accessed 12 February 2026).

[64] Arora, G. (Observer Research Foundation, ORF), 2026, EU-India FTA: Clean energy and CBAM in the 'mother of all deals' (accessed 12 February 2026).

[65] Kathuria, R. et al. (Centre for Social and Economic Progress, CSEP), 2025, India's Carbon Border Adjustment Mechanism (CBAM) Challenge: Strategic Response and Policy Options (accessed 12 February 2026).

a continued, long-term engagement. [66] By combining financing, technology cooperation, and regulatory alignment, the EU can support Indian efforts to develop a green industry that remains competitive in the long term and secure market compatibility.

3.3.3 Getting green hydrogen right

India has the potential to produce green hydrogen at a low cost that is competitive on the international market. Indo-European cooperation should explore this potential while embedding it in a holistic approach, integrating community benefits, environmental standards, and innovation alongside deployment at scale.[67] The announced joint Green Hydrogen Task Force can be an important step in this direction if operationalised effectively. Cooperation should strategically prioritise decarbonisation efforts in hard-to-abate sectors and applications that cannot be directly electrified. Instead of focusing on export-oriented approaches to green hydrogen or ammonia, cooperation should aim to expand its domestic use and boost exports of materials – rather than energy carrier – such as direct reduction iron (e.g. as hot-briquetted iron).[68] Deployment in India should also prioritise domestic consumers' needs and drive local value creation. Furthermore, it will be imperative to strengthen cooperation on research and innovation rather than deployment.[69] Meanwhile, deployment and manufacturing must be subject to strong environmental protection measures to avoid exacerbating land and particularly water stress and to prevent the displacement of local communities.[70]

3.4 Adaptation and social protection

India as well as EU member states are confronted with increasingly ferocious impacts of climate change. While the EU and India have both recognised these impacts, their cooperation on the matter can be deepened and refined. India is amongst the countries that are most vulnerable to the effects of climate change, with dramatic consequences for the population, their livelihoods, and development pathways. Germanwatch's Climate Risk Index 2026 estimates that between 1995 and 2024, extreme weather events such as floods, cyclones, and heatwaves resulted in more than 80,000 deaths and economic losses of nearly USD 170 billion.[71] 76% of India's total population is exposed to severe heat risks with significant impacts on health and productivity.[72] Long-term projections suggest that India could lose 24.7% of its GDP by 2070 due to climate change.[73]

The Indian government has not been oblivious to the necessity to cope with the impacts of the climate crisis. The national architecture around adaptation action has expanded, including national and state-level action plans, institutions, and dedicated schemes, recognition within the Indian Nationally Determined Contributions (NDC) and even as early as in 2008s National Action Plan on

[66] Patel, K. et al. (Sustainable Futures Collective), 2025, The Indian Carbon Market: Institutional, Regulatory, and Market Considerations (accessed 12 February 2026)

[67] Cf. Kumar, C. et al. (NewClimate Institute), 2023, The landscape of green hydrogen in India (accessed 12 February 2026).

[68] Oillic, M. et al. (Future Matters), 2025, EU-India Green Steel Partnership: A major climate opportunity moves from commitment to action (accessed 12 February 2026).

[69] Patel, K. et al. (Sustainable Futures Collective), 2025, India's Green Hydrogen Push: engineering for Today or Innovating for Tomorrow? (accessed 12 February 2026).

[70] Kumar, M. (Mongabay), 2023, Water is needed for green hydrogen production, but concerns remain about its availability (accessed 12 February 2026).

[71] Germanwatch, 2026, Climate Risk Index 2026 (accessed 12 February 2026).

[72] Prabhu et al. (Council on Energy, Environment and Water, CEEW), 2025, How Extreme Heat is Impacting India. Assessing District-level Heat Risk (accessed 12 February 2026).

[73] Asian Development Bank (ADB), 2024, Asia-Pacific Climate Report 2024 (accessed 12 February 2026).

Climate Change (NAPCC). For instance, India's National Adaptation Fund for Climate Change (NAFCC) was established in 2015 to support adaptation action in vulnerable states. Managed by the National Bank for Agriculture and Rural Development (NABARD), the fund provides financial assistance for projects enhancing resilience in sectors like agriculture, water resources, forestry, and livelihoods.

India also receives international funds for adaptation projects through the Green Climate Fund (GCF) and the Adaptation Fund. Currently, India's National Adaptation Plan (NAP) is being developed. Breaking down the NAPCC priorities to state level, State Action Plans on Climate Change (SAPCCs) in India provide a framework to address climate adaptation in key sectors such as agriculture, water, forestry, and health more locally. They identify region-specific climate risks and outline strategies like climate-resilient farming, improved water management, better cooling systems, and disaster preparedness. SAPCCs emphasize strengthening local institutions and community-based adaptation measures. They also aim to integrate climate considerations into state development planning. Overall, they help build resilience among vulnerable sectors and ecosystems to the impacts of climate change.

As part of the Indo-European cooperation, India's adaptation efforts are being supported, particularly with a focus on disaster preparedness and infrastructure. The EIB for instance has joined the India-hosted CDRI. On the bi- and plurilateral level, the EU and its member states are also supporting Indian adaptation efforts. Germany, for instance, has partnered with Indian institutions and states on integrated water resource management, climate-resilient urban planning, and natural disaster risk reduction. These efforts illustrate the potential for scaling sub-national partnerships and highlight the EU's role not only as a financier but also as a facilitator of technical expertise and institutional capacity-building. It is imperative to build on these foundations in the partnership's next phase to bridge the adaptation gap.

However, the Indo-European cooperation on adaptation needs to be refined and expanded. Adaptation is still sidelined in the project portfolios, which are dominated by mitigation actions that are easier to finance. While awareness of the urgency to act is rising, capacities – including financial means and data enabling concerted planning and risk assessments – remain limited. The estimated financial needs for adaptation measures of just six Indian states amount to EUR 5.5 billion annually between 2021 and 2030, far exceeding their fiscal capacities. [74] Moreover, other development objectives often trump adaptation, relegating it to a nice-to-have 'co-benefit' to growth-led strategies, undervaluing the productive nature of adaptation and resilience measures. While attention is focused primarily on India in the context of adaptation, the EU itself is ill prepared and in dire need for basic and innovative solutions, which points to the potential for increased mutual research and learning.

3.4.1 Elevate adaptation

The recognition of adaptation as a distinct and equal pillar of the Indo-European climate cooperation is essential. The Joint Strategic Agenda serves as a credible sign of continuity and intent, but its impact depends on its implementation. This first and foremost requires recognition that adaptation measures are proven to work. They are not just an insurance against potential losses but a long-term development and (human) security strategy with positive effects for people, ecosystems, and the economy. It has been demonstrated that heat plans, resilient infrastructure, and healthy ecosystems like mangroves can not only prevent tremendous costs for livelihoods and the economy

[74] Chakravarty, M. et al. (Climate Policy Initiative, CPI), 2024, Financing Adaptation in India, (accessed 12 February 2026). States covered are Odisha, Tamil Nadu, Kerala, Haryana, Himachal Pradesh, and Goa

but create measurable benefits. [75] They are in fact essential to a good life. Given the obvious urgency and the clear economic case, adaptation should be a key pillar in the existing Indo-European cooperation framework. Financing adaptation requires the mobilisation of public, grants-based funding. Private and community-based models can complement such an approach, but adaptation measures' indirect, long-term, and societal pay-offs are unlikely to make for compelling business cases at scale.

3.4.2 Risk assessment, disaster management, and early warning systems

The Indian government has emerged as a proactive player in the field of disaster resilience, notably by establishing the CDRI in 2019 as a knowledge and action platform, with many European countries as members, and by. It has also pushed for the formation of a G20 working group on Disaster Risk Reduction in 2023.[76] Given existing structures, a stronger emphasis on South-North learning seems apt. With record temperatures, dramatic flooding, and spiralling wildfires in Europe in recent years, adaptation is also paramount for both sides. Knowledge exchange with countries such as India regarding city planning, cooling, architectural design, and sustainable construction will be important to develop the necessary strategies and tools to cope with a changing climate. A stronger cooperation on the implementation and deployment of Early Warning Systems (EWS) and risk assessments must be a key priority in this regard. The EU and India should collaborate to ensure these systems cover the most vulnerable populations by 2030 as part of their Joint Agenda. The collaboration should also focus on research, deployment, and public awareness messaging, leveraging India's leadership in the CDRI and including businesses and investors eager to identify risks in their supply chains, particularly from labour-intensive sectors like construction and textile. Crucially, these efforts must also include cooperation on compliance and workplace standards complemented by international due diligence mechanisms. Adaptation, in that sense, is essential to the supply chain resilience the EU and India want to strengthen.

3.4.3 Operationalise data and systematic research on adaptation

Although adaptation is a critical issue in India, it remains understudied and often inadequately measured, frequently conflated as a 'co-benefit' of development when easily the opposite is true: development as a co-benefit of well-designed adaptation action. The EU and India must support localisation and community-led adaptation research that incorporates traditional knowledge and prioritises holistic, gender-sensitive intersectional approaches and regional particularities.[77] Cooperation should focus on defining adaptation indicators and project-based risk assessment methodologies, potentially under the CECP in collaboration with the CDRI. While basic data-sharing agreements exist, for example through the EU's Copernicus programme, a more concerted push is neces-

[75] Brandon, C. et al. (World Resources Institute, WRI), 2025, Strengthening the Investment Case for Climate Adaptation: A triple dividend approach (accessed 12 February 2026).

[76] Wadhawan, S. (Council on Energy, Environment and Water, CEEW), 2023, Strengthening India's Disaster Preparedness with Technology (accessed 12 February 2026).

[77] Chakravarty, M. et al. (Climate Policy Initiative, CPI), 2024, Financing Adaptation in India, (accessed 12 February 2026), Sirur, S. (Mongabay), 2025, Research into climate adaptation in India is woefully inadequate, says review (accessed 12 February 2026).

sary. The EU should work with India to establish dedicated adaptation work streams through instruments like Horizon Europe to facilitate joint research on climate impacts, funding gap transparency, and open a space for mutual learning.

3.5 Beyond bilateralism: expanding the scope of engagement

The partnership between India and the EU extends well beyond the interaction between governments; to be truly strategic, it must function across different sets of actors and in different fora. Despite the impressive proliferation of its architecture and substantial gains in depth, the relationship operates below its potential. High-level summits and technical dialogues are essential but Indo-European relations punch below their weight in addressing complex local and global challenges. Going forward, the partnership must expand its ecosystem in three directions: deepening democratic legitimacy through a clear commitment and involvement of civil society, elevating shared climate ambition within the multilateral system, for example the UNFCCC, and expanding geopolitical impact through tri- and plurilateral cooperation.

The EU and India routinely highlight the central importance of democracy, human rights, and the rule of law as cornerstones of their engagement. According to the EU commission, CSOs are vital partners to attain the normative and strategic goals of its (foreign) policy.[78] Civil society organisations – not-for-profit, common-good oriented, non-governmental-organisations, think tanks, youth and diaspora groups, unions, etc. – play an essential role in filling rhetoric with life. Awareness raising, research, facilitation of dialogues, and dedicated submissions are all examples through which CSOs contribute expertise and perspectives to improve policymakers' decision-making capacity while holding them accountable. EU institutions not only rely on and recognise the value of this work; they are bound by law to operate in a democratic and transparent manner. The EU is providing funding to CSOs, while institutions, including the EU delegation in India, and member states regularly interact with CSOs, sometimes via proactive, targeted consultations.[79] Likewise, member states routinely cooperate with CSOs in their strategic and development work, and initiatives, such as the German embassy's Climate Talks series, provide important spaces for exchange.

Nevertheless, civil society operates in an increasingly constrained context in both, the EU and India, where advocacy efforts for human rights, environmental and labour standards, and other issues are increasingly vilified, framed as unrepresentative, or seen as obstacles to economic objectives.[80] Within the partnership's architecture, there is little institutionalised access, and formats heavily bend towards private sector engagement. While civil society is not excluded from the partnership, its role is underdefined and its influence limited. During the recent EU-India Summit none of the leaders mentioned civil society, nor is it an explicitly relevant part of the Joint EU-India Comprehensive Strategic Agenda. This not only underestimates the existing contributions made by CSOs and the democratic legitimacy they provide. It risks undermining urgently needed competence- and capacity-building in Indo-European relations and sidelining existing expertise at a crucial point in time.

[78] European Commission, 2026, EU Country Roadmaps for Engagement with Civil Society 2021-2027 (accessed 12 February 2026).

[79] Digital Empowerment Foundation (DEF) / Council for Social and Digital Development (CSDD), 2022, EU Roadmap for Civil Society Engagement in India (2022-2027) (accessed 12 February 2026).

[80] Amnesty International, 2026, EU-India: Crucial partners must prioritize human rights at forthcoming summit (accessed 12 February 2026), Alemanno, A. (EUobserver), 2025, How NGOs die: Europe's playbook for dismantling democracy (accessed 12 February 2026), Observer Research Foundation and Jacques Delors Institute, 2023, India and the European Union in 2030: Building a Closer Economic Relationship, (accessed 12 February 2026).

Another area where the Indo-European partnership can widen its impact is in the field of global climate governance. The EU and India have reaffirmed their long-standing support of the multilateral system, including the UN Framework Convention on Climate Change, and they have recognised the strategic necessity of working together on climate change. This is an important signal in times when the multilateral system is under severe strain. The combined pressures of the climate crisis, sluggish progress on the Sustainable Development Goals (SDGs), geopolitical fragmentation, and growing doubts about the delivery of commitments have fuelled perceptions that it is no longer fit for purpose.

The UNFCCC orbit remains the most prominent space for multilateral climate action, and the EU and India, which are among the largest economies and emitters in the world, are essential for global ambition levels. The UNFCCC process has revealed divergences between European and Indian positions. At the recent COP30, India – among many other countries - was reluctant to join a coalition for a Roadmap for the Transition Away from Fossil Fuels (TAFF), meanwhile pushing for progress on the Global Goal on Adaptation, finance, and just transition. Historically, India has consistently defended the principles of equity and Common but Differentiated Responsibilities and Respective Capabilities, insisting not only that developed countries must respect the carbon space needed by developing economies to grow but also that developing countries need to receive their fair share of climate financing. The EU, by contrast, has sought to extend mitigation obligations across all major economies, arguing that they share responsibility for closing the ambition gap, which most recently led to a narrow focus on TAFF with little complementing diplomatic outreach. It also assumes financing issues as basically settled under 2024's NCQG.

Yet, there is also a long history of cooperation and agreement. The EU and India both have acknowledged the need for reforms of the UNFCCC and more ambition, providing a potential base for more concerted cooperation efforts. Beyond the UNFCCC, both sides prepared the ground for the COP28 UAE Consensus on tripling global renewable energy capacity and doubling the rate of energy efficiency improvements during India's G20 presidency in 2023. There are tri- and plurilateral efforts such as the International Solar Alliance (ISA), co-founded by India in 2015 with France and joined by the EU as a partner in 2018, the CDRI, launched by India in 2019, and India's 'Lifestyle for Environment' (LiFE) initiative, which has also attracted the support of European partners. Tri- and plurilateral initiatives will become more important in a world of fragmenting international governance and shifting centres of geopolitical gravity. They link well with developing countries, in particular in Africa, and major emerging economies, such as within the BRICS grouping, although the latter remains mired in ambiguities.[81] Now that the EU has realised that it is a middle-power, advancing cooperation with a broader set of countries from the Global South is imperative.

3.5.1 Enabling environment for civil society

The cooperation between the two 'largest democracies in the world' must include and promote the meaningful participation of CSOs. Given the tense conditions under which CSOs operate, it is imperative to protect their work and enhance their access, despite the diplomatic balancing act this requires. The EU must clearly articulate the essential character of CSOs for a democratic partnership model. It must also ensure adequate funding and resources to enable CSOs to build and contribute their expertise, particularly for organisations representing historically marginalised and vulnerable groups, women and gender rights groups, grassroots organisations, and those linking European and Indian organisations. This could take the form of a revitalised version of the Think Tank Twinning Initiative and the inclusion of CSOs in respective councils and working groups. In addition, the EU

[81] Sharma, N. (Climate Action Network South Asia, CANSA), 2025, Between Vision and Vagueness: Can BRICS Lead the Climate Decade? (accessed 12 February 2026).

should improve conditions for CSOs to effectively monitor the partnership's development and to share their findings with policymakers, e.g. via dedicated forums accompanying the annually planned Reviews of the Strategic Partnership and alongside the EU-India Summits following innovative formats such as the 'EU-India People's Roadmap'.[82] An accessible and regularly updated website and dashboard of the India-EU Clean Energy and Climate Partnership is also important and must be improved. Meaningful participation of civil society enabled through recognition, resources, access, and transparency will improve the quality and legitimacy of the partnership.

3.5.2 The UNFCCC – coordinating diplomacy

During their recent Summit, the EU and India have reaffirmed their long-standing commitment to the UNFCCC. In line with the agreed objective (5.4.1.) of the Joint Comprehensive Strategic Agenda to reinforce the multilateral institutional architecture, they should cooperate to showcase joint successes and initiatives across the international climate space to build momentum for implementation in selected sectors, including at various Climate (Action) Weeks across the world and at future COPs. Early diplomatic engagement will also be important to accommodate the different paces of groups (not) involved in the TAFF Roadmap process. The process currently risks perpetuating a binary narrative of blocking versus progressive states, which has created diplomatic deadlocks at COPs in the past. Proactive outreach, recognition of India's progress and the EU's potential to improve its own implementation will all be important to bring the Roadmap process back into the UNFCCC amicably. Moreover, India publicly declared its intention to host the COP33 in 2028, which would include presiding over a crucial response to the results of the second Global Stocktake. The EU should support Indian leadership ambition at such an inflection point, regardless of the country eventually hosting. Engagement should be embedded in a coordinated diplomatic 'Team Europe' mid-term strategy starting immediately. This includes leveraging the respective strengths of member states portfolios, building expertise and dedicated networks among a broad range of stakeholders and experts, and the identification of innovative flagship projects and initiatives. Of particular relevance here are just and people-centred approaches to the transformation of key sectors such as manufacturing and energy, where India and its sub-national governments have vast experience.

3.5.3 Pluri- and trilateral cooperation

The EU should consider increasing its involvement in India-led plurilateral initiatives such as the International Solar Alliance (ISA), not least in order to lend greater credibility to efforts to establish a viable alternative to the Chinese Belt and Road Initiative. Areas such as renewables uptake, water and river management, and adaptation appear well suited to bolster these announcements and are in line with India's ambition to be the 'voice of the Global South.' Furthermore, despite significant internal divisions, formats such as BRICS – which India is hosting in 2026 – and its different variations (e.g. IBSA, BASIC, BRICS+) hold tremendous potential to shape the multilateral sphere. The EU has recognised the importance of staying engaged with BRICS+ countries, with India as a particularly influential member, and should increase these efforts. While BRICS is often seen as a counterweight to Western-led institutions, its climate work through formats like BASIC has overlapped with EU positions in areas such as renewable energy and infrastructure resilience. Given its recent expansion, it is increasingly influential in shaping the positions of a broad set of countries, which underlines the necessity for pragmatic engagement. Given the recent intensification of coordination efforts within

[82] Foundation the London Story / EU-India People's Summit, 2021, The EU-India People's Roadmap (accessed 12 February 2026).

the group, cooperation appears pertinent on multilateral reforms in particular. It should be based on better coordination between EU member states of their respective diplomatic efforts.

4 Conclusion

The partnership between India and the EU is crucial to address the climate crisis and to achieve joint objectives from de-risking and supply chain security to industrial policy and trade. Decisive climate action today is not an impediment to these goals but a precondition, intrinsically connected to all areas of policymaking. By exploring synergies in key sectors and with a comprehensive approach to climate cooperation, both sides can forge a leading green South-North partnership at a time when it is most needed.

To strategically advance such a partnership – to tap into its green potential – much work is required even though the foundations are solid and constantly growing. EU policymakers in particular will need to reconcile the domestic push for de-regulation and the promotion of domestic industrial competitiveness with equitable, democratically legitimate partnership models that benefit the people in the Global South. Reaching out to India's national priorities and development needs is just as important for success as ambitious climate action at home. The current political momentum in Indo-European relations provides ample space to translate the opportunities outlined above into qualitative change.

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