

# Advancing the EU's Climate and Energy Diplomacy

## Building on the priorities of the Spanish Presidency of the Council of the EU in 2023

Since 1 July 2023, Spain is presiding over the Council of the European Union, taking over after Sweden. With EU elections coming up in the first half of 2024, political campaigning is about to begin. This gives the Spanish Presidency even more responsibility to make progress on key milestones on the EU agenda.

However, domestic politics in Spain are currently challenging. Following heavy losses for the Socialist Workers' Party (PSOE) in regional and local elections, Prime Minister Pedro Sánchez, called for snap elections at the end of July – less than a month into Spain's EU Presidency. Uncertainty remains over whether the current Spanish government, the progressive coalition, will remain in power or whether a new conservative government will take office during the presidency. A coalition between the conservative People's Party (PP) and the right-wing Vox party could not only hinder a green transition in Spain, but also negatively impact the advancement of the EU's ambitions in climate and energy diplomacy.

In this policy brief, we set out how the Spanish EU Presidency can contribute to a stronger EU Climate and Energy Diplomacy, based on the four priorities outlined by Spain.

### 1 Reindustrialise the EU and ensure its open strategic autonomy

- *Ensure competitiveness and cooperation through diverse partnerships*
- *Strengthen the partnership with Latin America with a focus on climate, energy and biodiversity*
- *Align partnerships on raw materials with environmental agreements and ensure human rights*

The changing geopolitical context is putting the EU increasingly under pressure: The US is driving a green transition by supporting domestic industries with its Inflation Reduction Act and planning to invest nearly USD 370 billion. Similarly, China aims to become a global leader in the energy transition, spending nearly USD 550 billion on batteries, electric vehicles, and renewable energy in 2022 alone.<sup>1</sup> As a response to these developments, the European Commission proposed the Net Zero Industry Act<sup>2</sup> as part of the European Green Deal Industrial Plan.<sup>3</sup> The aim is to ensure that the EU remains an attractive industrial location while pursuing its decarbonisation.

The Spanish Presidency of the Council emphasises the reindustrialisation of the EU and its open strategic autonomy as its first priority. It aims to propose a 'forward-looking, comprehensive strategy to ensure the economic security and global leadership of the EU by 2030'.<sup>4</sup> Framing the reindustrialisation of

<sup>1</sup> Scientific American, 2023, [China Invests \\$546 Billion in Clean Energy, Far Surpassing the U.S](#) (last accessed 30.06.2023).

<sup>2</sup> EU Commission, 2023, [Net-Zero Industry Act](#) (last accessed 30.06.2023).

<sup>3</sup> EU Commission, 2023, [A Green Deal Industrial Plan for the Net-Zero Age](#) (last accessed 30.06.2023)

<sup>4</sup> Spanish Presidency of the Council of the European Union, 2023, [Priorities](#) (last accessed 30.06.2023)

the EU as a way to ensure its leadership could make potential partners doubt a cooperation on equal terms. However, these partners are central for the EU to reduce its dependency on China and diversify supply chains to enable a green transition. While ensuring the EU's industrial competitiveness is important, focusing on **cooperation instead of leadership would build more trust** and make the EU a more attractive partner. These partnerships should be built around European interests, but also be based on values, such as solidarity, defending human rights, supporting peace and security, and advancing resilient and 1.5°C-aligned development on a global level.

In terms of partnerships, Spain will focus in particular on Latin America. Given its strong ties with the region, the Spanish Presidency is well placed for taking forward the **partnership between the EU and Latin America**. The first meeting between the EU and the Community of Latin American and Caribbean States (CELAC) in eight years takes place on 17 and 18 July and should be the starting point for closer cooperation with Latin America. The Commission has already published a new agenda to strengthen the EU's partnership with the LAC region (Latin America and the Caribbean).<sup>5</sup> It includes a proposal to intensify their relation in terms of the green transition through dialogue, strengthening regulatory frameworks and investments in the framework of the EU's Global Gateway. The LAC region is a particularly important supplier of copper and lithium, but also of green hydrogen, all of which are important resources for the green transition. At the same time, Latin America is severely affected by climate change. If the Amazon tipping point is crossed, for example, the entire rainforest would turn into grassland and release massive amounts of carbon.<sup>6</sup> The region is therefore **critical in terms of climate change and biodiversity, industrial transformation and the availability of critical resources**.

Pressure is on Spain to make progress on the **EU Mercosur trade agreement** in talks with Mercosur (comprising Argentina, Brazil, Paraguay, and Uruguay), which have been on hold for four years and have now resumed. After 20 years of negotiations and a political deal in 2019, progress stalled mainly due to EU concerns over Amazon deforestation under the government of former Brazilian President Bolsonaro. The Commission aims to finalise the deal by end of this year. The main reason preventing the EU to ratify the agreement is the concern about environmental protection in the Mercosur countries. The EU suggested to add a side letter to the agreement containing reaffirmations of international environmental commitments of both blocks, which Brazil and Argentina have criticised as a unilateral 'threat' to Mercosur and therefore to the free trade agreement. The Spanish Presidency should be supported in its efforts to ensure that the EU Commission **renegotiates with Mercosur on an equal footing**. This process should involve active participation from civil society and focus on opening tariffs exclusively for environmentally friendly and socially sustainable products in both trading blocs. Additionally, it is imperative to establish enforcement measures and sanction mechanisms applicable to both sides in the event of violations.

Partnerships will play a key role in both the first and the second priorities of the Presidency. To support the green transition, the Commission has proposed a **European Critical Raw Materials Act** (CRMA, which is also part of the Green Deal Industrial Plan). The main objective of the CRMA is to reduce the EU's heavy dependence on individual third countries for critical raw materials and to strengthen its independence along the entire value chain.<sup>7</sup> The CRMA also provides an updated list of critical raw materials and identified strategic raw materials and sets benchmarks for domestic capacity and supply diversification by 2030. Strategic partnerships will play a key role in the EU's diversification efforts. They should be consistent with multilateral environmental agreements such as the Convention on Biological Diversity (CBD), the Kunming-Montreal Global Biodiversity Framework and the Minamata Convention on Mercury. These partnerships should also ensure the protection of human and Indigenous rights. Furthermore, it is essential to consider the **interests of the respective partner countries and rightsholders and create added value** in the producing countries. Collaborating with partner countries, the EU should work towards enhancing raw

---

<sup>5</sup> EU Commission, 2023, [New Agenda to strengthen EU's partnership with Latin America and the Caribbean](#) (last accessed 30.06.2023)

<sup>6</sup> Schultheiß L., 2023, [Human security impacts of crossing the Amazon rainforest tipping point](#) (last accessed 30.06.2023)

<sup>7</sup> European Commission, 2023, [European Critical Raw Materials Act](#) (last accessed 30.06.2023)

materials governance. Although the EU's efforts to diversify are important, the key to increasing independence and establishing a sustainable industrial model that respects planetary boundaries lies in reducing the consumption of critical raw materials and adopting a circular economy approach.

## 2 Advance in the green transition and the environmental adaptation

- *Lead efforts to commit to a just global phase-out of fossil fuels at COP28*
- *Build a coalition to agree on global targets on renewable energy and energy efficiency, ideally not only as pledges*
- *Support an ambitious new NDC for the EU based on scientific recommendations, and update current NDC for COP28*

Spain's second priority is to advance the green transition. It is important to acknowledge the international dimension of this endeavour. Achieving the EU's fair share of the carbon budget can no longer rely solely on actions within the EU.<sup>8</sup> For the EU's green transition to be successful, active and ambitious engagement with other regions and countries is required. Therefore, **supporting other countries in their transition should be a key component** of the EU's climate goals.

The Foreign Affairs Council conclusions on Climate and Energy Diplomacy, published in March, offer guidance for the EU's next steps. The primary highlight was the EU foreign ministers' call to end unabated fossil fuels globally by 2050. Maintaining this priority should guide the EU's efforts throughout the year. As the UAE holds the COP28 presidency, fossil fuel interests pose a threat to a successful Climate Change Conference in Dubai in December (COP28). The EU should take the lead in **ensuring that the negotiation text at COP28 includes a just phase-out of fossil fuels**.

The EU has already taken important steps in that direction. In June, the EU Commission and Sultan Al Jaber, the designated COP28 President, published a statement outlining their priorities for COP28.<sup>9</sup> Both the EU and the UAE affirmed their commitment to pursue efforts to limit global temperature increase to 1.5°C in line with the latest Intergovernmental Panel on Climate Change (IPCC) reports and previous commitments, and emphasised the importance of making progress towards 'energy systems free of unabated fossil fuels'.<sup>10</sup> While it is encouraging that the UAE is committed to working towards a phase-out of fossil fuels, the language used leaves room for the inclusion of technologies such as Carbon Capture and Utilisation/Storage (CCU/S). In other previous statements, the designated COP28 President mentioned aiming to phase-out fossil fuel emissions rather than fossil fuels themselves, which also hints at a consideration of new technologies to capture and store emissions. However, the chair of the IPCC, Hoesung Lee, has cautioned against excessive reliance on carbon capture and removal technology.<sup>11</sup> In fact, these technologies should be limited to hard-to-abate sectors, such as lime and cement production. The energy sector, on the other hand, can effectively **address emissions through solutions such as energy efficiency**

---

<sup>8</sup> ESABCC, 2023, [Scientific advice for the determination of an EU-wide 2040 climate target and a greenhouse gas budget for 2030–2050](#) (last accessed 30.06.2023)

<sup>9</sup> European Commission, 2023, [Readout of meetings of President von der Leyen, Executive Vice-President Timmermans and High-Representative/Vice-President Borrell with the COP28 President](#) (last accessed 30.06.2023).

<sup>10</sup> European Commission, 2023, [Readout of meetings of President von der Leyen, Executive Vice-President Timmermans and High-Representative/Vice-President Borrell with the COP28 President](#) (last accessed 30.06.2023).

<sup>11</sup> Harvey F., 2023, [Carbon capture and storage is 'no free lunch', warns climate chief](#) (accessed 30.06.2023).

**and renewable energies**, which are, unlike CCU/S, more cost-effective and readily available in the medium-term.

Renewable energy and energy efficiency will also play a crucial role at COP28, and the EU should support **securing agreement on two new global targets** in these areas. According to the International Renewable Energy Agency, achieving a 1.5°C compatible transition requires tripling installed capacities of renewable energies by 2030.<sup>12</sup> This means installing an average of 1TW of renewable energy capacity each year from now onwards. In their June statement, the EU and the UAE mentioned a general 'scaling up of renewables'<sup>13</sup> without specifying a number. However, several leaders, including the UAE and Germany, have previously mentioned that a tripling of current installed capacity is needed. With the discussions gaining momentum, the EU should build a coalition to push for an ambitious target for renewable energy at COP28 to provide a clear signal on the transition path and reduce reliance on CCU/S technologies. Although a global energy efficiency target has received less attention, Ursula von der Leyen, President of the European Commission, has already started to promote it. Such a target should remain an important focus for the EU. A global target for renewables and energy efficiency is preferable to individual country pledges, as it applies to all countries rather than just a few seeking to showcase their transition efforts. In addition to the two new global targets, the EU should advocate for a global just transition, **ensuring access to renewable energy in all parts of the world**. Given the uneven investment landscape, the EU should assist in creating better opportunities for countries that may currently be less attractive to investors. The International Climate and Energy Summit in October, organised by the Spanish Presidency and the International Energy Agency, is an opportunity to bring together key stakeholders from finance, politics, civil society, and business to build alliances and create momentum for a 1.5°C transition.

It is clear that we are not on a 1.5°C pathway and faster implementation and increased ambition is needed. To create a positive momentum and encourage others to follow suit, the EU should update its 2030 target for COP28. Instead of the current target of 55%, up to 60% of emissions reductions by 2030 are possible.<sup>14</sup> With regard to post-2030 climate targets, the European Scientific Advisory Board on Climate Change (ESABCC) recommends a 90-95% emission reduction by 2040 compared to 1990 levels, highlighting the need for almost complete decarbonisation of the energy sector by 2040. In line with the common time frames agreed under the UNFCCC, the EU should commit to a 2035 target as well. This target is an important milestone for the 2040 target and should encourage emission reductions in the first part of the century. The Spanish Presidency should **support the proposed target for its new NDC by the ESABCC**.

Another spotlight at COP28 will be the first GST: the global climate regime will assess progress towards the goals of the Paris Agreement and address the gaps between current actions and desired outcomes. Both the UAE and the EU have emphasised that the stocktake should inform future climate action rather than solely focusing on pre-2020 efforts. This exercise will also shape the next round of NDCs due for submission by COP30 in 2025. As the first GST sets the precedent for future stocktakes, it is vital that the process **demonstrates its ability to provide guidance on the way forward**.

Regarding loss and damage, where a significant milestone was achieved last year with the establishment of the Loss and Damage fund, COP28 must demonstrate that the fund can be operationalised.<sup>15</sup> The contributor base has to be broadened, incorporating both the principle of 'polluter pays' and acknowledging historical responsibility, into the fund and the funding arrangements. In the run

---

<sup>12</sup> IRENA, 2023, [World Energy Transitions Outlook 2023: 1.5°C Pathway](#) (last accessed 30.06.2023).

<sup>13</sup> European Commission, 2023, [Readout of meetings of President von der Leyen, Executive Vice-President Timmermans and High-Representative/Vice-President Borrell with the COP28 President](#) (last accessed 30.06.2023).

<sup>14</sup> Heberer C. et al., 2023, [Erstes Gutachten des EU-Klimabeirats zum 2040-Ziel: Das Notwendige mit dem Möglichen kombinieren](#) (last accessed 17.07.2023)

<sup>15</sup> Schultheiß L. et al., 2023, [Operationalising the Loss and Damage Fund](#) (last accessed 13.07.2023)

up to COP28, the EU should make clear that **progress on the operationalisation of the loss and damage fund is a priority**.

### 3 Promoting greater social and economic justice

- *Showcase how a global just transition can be successfully implemented*
- *Support a feminist climate foreign policy on EU level*

The third priority of the Spanish Council Presidency is to advocate for greater social and economic justice, which should extend to the transition towards a climate-neutral continent. A successful just transition within the EU can serve as a global example of how to achieve an equitable and just 1.5°C-compatible transition.

From a foreign policy perspective, this entails creating stronger momentum for a feminist climate foreign policy on EU level. **Social justice is inherently linked to both gender and climate justice.** The EU's Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III) is one of the key policies in this regard, and its application also encompassed the climate sector. While the success of GAP III in addressing climate-related issues remains to be seen, the Spanish Council Presidency should strengthen a gender focus throughout its foreign policy instruments, including council conclusions. While comprehensive EU-wide feminist climate foreign policy may not be expected anytime soon, the Spanish Council Presidency should **use available instruments to promote feminist perspectives within the EU's foreign policy**.<sup>16</sup> The current progressive coalition Spanish government has already published a feminist foreign policy in 2021, demonstrating its recognition of the importance to include feminist values in foreign policy. However, a potential coalition government with the right-wing and anti-feminist Vox party poses a risk to feminist policies at national and EU level and jeopardises progress on social justice.

### 4 Strengthening European unity

- *Foster prosperity and security through ambitious climate action within and outside of the EU to ensure European unity*

Lastly, the Spanish Council Presidency prioritises strengthening European unity. A prosperous and secure EU is essential for maintaining cohesion among its members and citizens. However, achieving **prosperity and security is only feasible in a world safe from climate risks**. Therefore, the EU should continue its rapid transition towards climate neutrality and provide support to other countries to do the same. A prerequisite for this is the development of a strong climate foreign policy grounded in feminist values and the establishment of strong partnerships with diverse countries.

---

<sup>16</sup> CAN Europe, 2023, [Towards a Feminist Foreign Climate Policy: Considerations for the EU](#) (accessed 30.06.2023)

## List of references

- CAN Europe. (2023). Towards a Feminist Foreign Climate Policy: Considerations for the EU. Retrieved June 30, 2023, from <https://caneurope.org/towards-a-feminist-foreign-climate-policy-considerations-for-the-eu/>
- ESABCC. (2023). Scientific advice for the determination of an EU-wide 2040 climate target and a greenhouse gas budget for 2030–2050. Retrieved June 30, 2023, from <https://climate-advisory-board.europa.eu/reports-and-publications/scientific-advice-for-the-determination-of-an-eu-wide-2040>.
- EU Commission. (2023). A Green Deal Industrial Plan for the Net-Zero Age. Retrieved June 30, 2023, from [https://commission.europa.eu/system/files/2023-02/COM\\_2023\\_62\\_2\\_EN\\_ACT\\_A%20Green%20Deal%20Industrial%20Plan%20for%20the%20Net-Zero%20Age.pdf](https://commission.europa.eu/system/files/2023-02/COM_2023_62_2_EN_ACT_A%20Green%20Deal%20Industrial%20Plan%20for%20the%20Net-Zero%20Age.pdf).
- EU Commission. (2023). Net-Zero Industry Act. Retrieved June 30, 2023, from [https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act\\_en](https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act_en).
- EU Commission. (2023). New Agenda to strengthen EU's partnership with Latin America and the Caribbean. Retrieved June 30, 2023, from [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3045](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3045).
- European Commission. (2023). European Critical Raw Materials Act. Retrieved June 30, 2023, from [https://single-market-economy.ec.europa.eu/publications/european-critical-raw-materials-act\\_en](https://single-market-economy.ec.europa.eu/publications/european-critical-raw-materials-act_en).
- European Commission. (2023). Readout of meetings of President von der Leyen, Executive Vice-President Timmermans and High-Representative/Vice-President Borrell with the COP28 President. Retrieved June 30, 2023, from [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_23\\_3122](https://ec.europa.eu/commission/presscorner/detail/en/statement_23_3122).
- Harvey, F. (2023). Carbon capture and storage is 'no free lunch,' warns climate chief. Retrieved June 30, 2023, from <https://www.theguardian.com/environment/2023/jun/06/carbon-capture-and-storage-is-no-free-lunch-warns-climate-chief-hoesung-lee>.
- Heberer, C., et al. (2023). Erstes Gutachten des EU-Klimabeirats zum 2040-Ziel: Das Notwendige mit dem Möglichen kombinieren. Retrieved July 17, 2023, from <https://www.germanwatch.org/de/88600>.
- IRENA. (2023). World Energy Transitions Outlook 2023: 1.5°C Pathway. Retrieved June 30, 2023, from <https://www.irena.org/Publications/2023/Jun/World-Energy-Transitions-Outlook-2023>.
- Schultheiß, L. (2023). Human security impacts of crossing the Amazon rainforest tipping point. Retrieved June 30, 2023, from <https://www.germanwatch.org/en/87906>.
- Schultheiß, L., et al. (2023). Operationalising the Loss and Damage Fund. Retrieved July 13, 2023, from <https://www.germanwatch.org/en/88557>.
- Scientific American. (2023). China Invests \$546 Billion in Clean Energy, Far Surpassing the U.S. Retrieved June 30, 2023, from <https://www.scientificamerican.com/article/china-invests-546-billion-in-clean-energy-far-surpassing-the-u-s/>.
- Spanish Presidency of the Council of the European Union. (2023). Priorities. Retrieved June 30, 2023, from <https://spanish-presidency.consilium.europa.eu/en/programme/priorities/>.

---

**Authors:** Alexandra Goritz

**Contributors:** Viktoria Reisch, Katharina Brandt, Petter Lydén

You can download this paper here: [www.germanwatch.org/en/88618](http://www.germanwatch.org/en/88618)

July 2023

**Germanwatch e.V.**

**Office Bonn**

Kaiserstr. 201

D-53113 Bonn

Phone +49 (0)228 / 60 492-0, Fax -19

Website: [www.germanwatch.org](http://www.germanwatch.org)

**Office Berlin**

Stresemannstr. 72

D-10963 Berlin

Phone +49 (0)30 / 5771 328-0, Fax -11

E-mail: [info@germanwatch.org](mailto:info@germanwatch.org)

---

Financially supported by the European Climate Foundation. Responsibility for the contents rests with Germanwatch.