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## With Charisma, Stick, and Carrot: Reviewing the **Effectiveness of EU Climate Diplomacy**

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Last year's COP27 in Sharm el-Sheikh, Egypt, was a major challenge for EU climate diplomacy, which, despite the unfavourable external circumstances (e.g., the war in Ukraine and economic turbulence), contributed to the conference's positive outcome. The EU, as a global leader in the fight against climate change, seeks to increase its influence with external partners. Many of them would not have joined the climate action without its support. In addition to participation in policy dialogue, among the EU's main tools of influence are various types of incentives and forms of support, as well as leverage measures such as political conditionality. However, the effectiveness of these tools is still being refined.

#### The EU in the International Climate Dialogue

The turning point for EU climate diplomacy came at the 2009 COP15 summit in Copenhagen when the EU failed to persuade third countries to accept its proposals. Over the past 25 years, the EU has been increasing its commitment to combating climate change and—based on its conviction about the relevance of its transition model—the organisation's ability to inspire and activate other countries to confronting emissions. The priorities of its external action in this field have gradually changed, from a focus on global forums in the 1990s to regional, cross-border, and bilateral action in the 2000s.<sup>1</sup>

The turning point for EU climate diplomacy came at the 2009 COP15 summit in Copenhagen when the EU failed to persuade third countries to accept its proposals, including on emissions reduction pledges for 2030 and 2050. The reasons for the failure were seen in the focus on the internal coordination of Member States' positions at the expense of pursuing effective external policies.<sup>2</sup> Therefore, in 2011, the European Commission (EC) and the European External Action Service (EEAS), in parallel with the Council, prepared a series of documents defining climate diplomacy strategy,

At the bilateral level, the EU interacts with EFTA countries (Iceland, Liechtenstein, Norway, Switzerland) and has an enhanced climate dialogue with Andorra, Monaco, and San Marino. which they then merged into the EU Climate Diplomacy Action Plan. Continuing to increase its ambitions, the EU since 2019 has been implementing various mechanisms under the European Green Deal (EGD) to establish Europe as the first climate-neutral continent by 2050.

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Marino. In 2021, it proposed to Indonesia to expand bilateral cooperation to include climate, environment, and energy issues (Joint Green Agenda), and since 2016 it has held a regular climate policy dialogue with India. In the framework of the Forum on Environment, Climate Change, Sustainable Development and Water, the EU has a dialogue with South Africa that has been running since 2007, albeit irregularly. It also engages in dialogues with Latin American and Caribbean countries. The EU's Strategic Compass adopted in 2022 defines the ambitions and directions of action in the field of international security. It identifies China, with which the EU has had a Climate Partnership since 2005 and the High-level Environment and Climate Dialogue since 2020, as a partner in addressing climate change. In 2017, the EU together with Canada and China established the

Ministerial on Climate Action, an annual meeting bringing together the world's major economies. It replaced the Major Economies Forum on Energy and Climate, held intermittently between 2009 and 2015. The priorities of the European Commission currently include strengthening bilateral cooperation with the United States and joint advocacy in multilateral formats, but these activities have not yet been framed nor structured.

The priorities of the European Commission currently include strengthening bilateral cooperation with the United States and joint advocacy in multilateral formats.

<sup>&</sup>lt;sup>1</sup> S. Oberthür, C. Dupont, "The European Union's international climate leadership: towards a grand climate strategy?," *Journal of European Public Policy*, vol. 28, no. 7, 2021, pp. 1095-1114.

<sup>&</sup>lt;sup>2</sup> K. Biedenkopf, F. Petri, "EU Delegations in European Union climate diplomacy: the role of links to Brussels, individuals and country contexts," *Journal of European Integration*, vol. 41, no. 1, 2019, pp. 47-63.

As a result of these activities, particularly in the International Panel on Climate Change (IPCC), the EU standards for greenhouse gas (GHG) emissions reductions have become more widespread. In

addition, the EU is the only regional organisation that is party to the UN climate agreements—the Kyoto Protocol and the Paris Agreement. Its ambition to become a global leader in tackling climate change is therefore not unfounded; however, charisma alone is not enough to convince other countries to adopt and implement costly climate protection strategies,<sup>3</sup> so the EU must also use other instruments. In addition to setting the goal,

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inspiring, and leading by example, the EU also provides support to partners who share its ambitions and encourages them to make changes with the proverbial carrot, but also political pressure—the stick.

#### The Union as a Sponsor of Change

#### **Financial Support**

Central to the EU's climate diplomacy is the direct financing of mitigation and adaptation measures and the mainstreaming of climate objectives in diverse policies, such as development policy. Within this framework, the EU promotes the idea that restructuring economies, the green transition, and moving towards climate neutrality will bring tangible benefits and opportunities, including increased energy security and improved air quality. This is important not only for economic development but also for maintaining political stability and reducing social tensions in areas affected by crises (e.g., lack of access to water).

Considering its own budget as well as Member State and European Investment Bank (EIB) resources, the EU is the world's largest donor of development aid ( $\leq$ 70.2 billion in 2021). In it, climate protection and the environment play an increasingly important role. The EU aims to allocate at least 25% of its total budget to climate objectives. The main support mechanism for third countries in the 2021-2027 Multiannual Financial Framework (MFF) is the Neighbourhood, Development and International Cooperation Instrument (NDICI). It serves to consolidate and increase the coherence of the EU's spending mechanisms for development, which will amount to almost  $\leq$ 80 billion (i.e., more than in the previous MFF when the EU still had 28 members). Climate protection is one of the many components of the NDICI, but due to its global and cross-cutting nature, it can be expected that funds allocated in other areas will also be used to support the low-carbon transition beyond the EU's borders.

The NDICI is also intended to unify the existing extensive system of grants, subsidies, and guarantees that can be used to meet climate goals. Among the most important aid programmes falling under the NDICI is the "SWITCH to Green" initiative led by the EC's Directorate for International Partnerships (DG IntPa), which aims to support inclusive and sustainable development while reducing emissions in Africa, Asia, the Mediterranean, and elsewhere. The Global Climate Change Alliance+ (GCCA+) mainly supports the least-developed countries and small island states,<sup>4</sup> while Euroclima+ in Latin America helps to increase those countries' resilience to climate change. The Eastern Partnership (EaP) countries are involved in activities under the EU4Climate, EaP GREEN, and LIFE programmes. Negotiations are currently underway to extend the LIFE programme to Albania, Andorra, Israel, Moldova, North Macedonia, Turkey, and Ukraine. The European Fund for Sustainable Development+ (EFSD+), on the other hand, is expected to encourage private and public investors worldwide to engage in sustainable development projects.

<sup>&</sup>lt;sup>3</sup> For more on this topic, see S. Kolarz, Z. Nowak, "Together, yet Separate—Identifying the Internal Preconditions of Creating EU Climate Diplomacy," *PISM Strategic File* No. 12, 6 December 2022, www.pism.pl.

<sup>&</sup>lt;sup>4</sup> Z. Nowak, "Small island states—a strong climate interest group," *PISM Bulletin* No. 6, January 2022, www.pism.pl.

Based on the bilateral policy dialogue, the EU can provide direct financial transfers to the partner country's budget. Projects implemented with this type of support include training administrations to understand the challenges of climate change in Bhutan, the reforestation of 8,900 hectares in Bolivia,

The EU also provides guarantees and seeks to provide mixed publicprivate financing for large climaterelated infrastructure projects. and the installation of RES lanterns in Dominica. The EU also provides guarantees and seeks to provide mixed public-private financing for large climate-related infrastructure projects. Its flagship projects are the investment facilities in Latin America (LAIF) and the Caribbean (CIF), which have contributed, for example, to the development of electromobility in Costa Rica and the reconstruction of the electricity grid in the Bahamas

following Hurricane Dorian in 2019. The EU also carries out public procurement for projects contributing to the implementation of the objectives of the EGD, and for services and works related to the implementation of green projects. Their funding has mostly come from either the EU budget or the European Development Fund, which is now incorporated into the NDICI.

The EIB (recently also referred to as the "EU climate bank") remains a key actor in financing the fight against climate change and promoting the EGD. In its 2020 "Roadmap" it stressed that all its operations are to take into account the objectives of the Paris Agreement, including the move away from fossil fuel financing. It is acting, including providing guarantees and supporting public-private partnerships, particularly in least-developed countries, small island states, and other developing countries. However, the scale of EIB climate finance for countries most in need is still smaller than that of the World Bank Group or regional banks such as the Asian Development Bank. Besides the

EIB, the European Bank for Reconstruction and Development (EBRD) and other financial institutions are also engaged in the fight against climate change, but their ability to make a real impact on climate diplomacy is limited due to a more technical mandate and less political dimension of support compared to the EIB.

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The EU and its members also support the UN-managed Green Climate Fund, which aims to help countries in the global South fight climate change. The EU itself is more than meeting its commitments to the fund, contributing around \$28 billion a year, and is encouraging developed countries to increase their contributions.

In the context of the funding criteria, an important issue is the ongoing work on a classification system for sustainable development measures, the so-called "green taxonomy", from 2020. It is intended to support institutional investors and private entrepreneurs in making business decisions,

The taxonomy relates to forestry, agriculture, transport, construction, and energy supply (e.g., the integration of nuclear energy into sustainable energy sources). taking into account the goal of climate neutrality by 2050. The taxonomy relates to forestry, agriculture, transport, construction, and energy supply (e.g., the integration of nuclear energy into sustainable energy sources), as well as investments in partner countries that fit in with the environmental and climate requirements to be eligible for sustainable financing through EU mechanisms.

#### Non-Financial Support

The EU also supports partners with its expertise (e.g., on emissions trading), technology transfer (e.g., RES in Africa), development of science, research and innovation (e.g., through Horizon Europe or bilateral technology cooperation agreements), organisation of training (e.g., for administrations), and climate monitoring and statistics (e.g., based on EEAS reports). Climate issues are integrated into humanitarian aid (hunger and poverty are often linked to climate factors), the promotion of gender equality (women are disproportionately more affected by climate change than men), and even the EU's cultural diplomacy (e.g., the New European Bauhaus aims to create new, sustainable lifestyles).

The Union also supported Egypt, the host of last year's COP27, to achieve the outcome of the conference.<sup>5</sup>

Climate security, on the other hand, remains a marginal element of EU security policy. Although the Council in its "2013 Conclusions" announced the mainstreaming of climate security in all external policies and dialogues, combating climate change has so far not been a major objective of the establishment or engagement of EU missions in conflicts, nor is it included in the mandates of these missions.<sup>6</sup> Activities are ad hoc and limited, focusing, for example, on the provision of equipment and supplies to deal with the aftermath of natural disasters. Changes, albeit slow, are also taking place in this area, however. Prepared by the EEAS, the EC, and the European Defence Agency (EDA), the "2020 Climate Change and Defence Roadmap" aims to ensure that climate issues are taken into account in EU security and defence-related activities. By the end of 2023, each country is obliged to, among others, develop a strategy for preparing its armed forces for climate change. The Strategic Compass, on the other hand, provides for, among others, the establishment of an environmental advisor for each Common Security and Defence Policy mission and operation by 2025.

#### The Union as a Promoter of Standards

The discourse of EU climate diplomacy is based on encouraging third countries to match the Union's ambitions.<sup>7</sup> The motivation for them to adopt its standards could and should be the use of EU political conditionality.

The discourse of EU climate diplomacy is based on encouraging third countries to match the Union's ambitions. Candidate countries are required to implement the EU environmental acquis; it is one of 35 negotiating areas and consists of more than 200 documents (e.g., on water management, waste disposal, GMOs, etc.). The Union verifies their implementation through annual reports on

candidate countries. For example, in the 2021 reports, it called on Albania and Macedonia to increase their efforts and ambition in the field of climate and environmental protection.

The EaP Association Agreements with Georgia, Moldova, and Ukraine and the CEPA with Armenia<sup>8</sup> commit the partners to work together to implement international instruments (e.g., UNFCCC, Paris Agreement) and to approximate legislation to EU climate legislation. Partners are also engaged in a climate dialogue. Unlike candidate countries, however, the level of ambition is lower for the other EaP countries and is limited to harmonisation concerning selected EU acts. Apart from the provisions

on legislative approximation, the agreements are worded broadly and therefore difficult to enforce. The outcome of the measures is mixed: the EU recognises the EaP states' progress, but also points to insufficient levels of commitment. Each of the EaP states, even those not covered by the aforementioned agreements, is changing at its own pace, with Georgia the fastest and Azerbaijan and Belarus the least interested in climate action.<sup>9</sup> However, it can be assumed that without EU

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assistance, the commitments of the EaP states, plagued by numerous internal problems, would be even weaker, as pro-environmental change would not be among their higher priorities.

<sup>&</sup>lt;sup>5</sup> Council of the EU, Foreign Affairs Council, 20 June 2022, www.consilium.europa.eu.

<sup>&</sup>lt;sup>6</sup> O. Lazard, R. Youngs (eds.), The EU and Climate Security: Toward Ecological Diplomacy, Carnegie Europe, 2021.

<sup>&</sup>lt;sup>7</sup> R. Youngs, "COP26 and the Foreign Policy Blind Spot in Europe's Climate Action," Carnegie Europe, 26 October 2021, carnegieeurope.eu.

<sup>&</sup>lt;sup>8</sup> S. Kolarz, "Prospects for CEPA as a model of cooperation on the example of EU-Armenia relations," *PISM Bulletin* No. 73, April 2021, www.pism.pl.

<sup>&</sup>lt;sup>9</sup> "EU & Environment. Eastern Partnership Trends," Visegrad Insight, 11 March 2020, www.visegradinsight.eu.

In the fight against climate change, the EU is also cooperating with its southern neighbours from Northern Africa and the Middle East. Actions are aimed at reducing harmful emissions, the sustainable use of resources, and the green transition. This is to be achieved by, among others, supporting administrative and fiscal reforms and raising public awareness. Although on a local scale (e.g., aid projects for the construction of RES installations) the EU's interventions are appreciated, on a state level its activities are controversial. European energy companies continue to profit from the extraction and production of oil and gas in the region, which, according to opponents, conflicts with the image of green leadership that the EU is trying to build.

Under the GSP+ mechanism (a special incentive arrangement for sustainable development and good governance), the EU reduces tariffs to 0% for the poorest countries (currently nine, including Kyrgyzstan, Pakistan, and Bolivia) that implement international standards, including the UNFCCC and Kyoto Protocol, as well as other environmental agreements (biodiversity, the ozone layer, etc.). However, unlike conventions on human rights, for example, to date, breaches of climate and environmental agreements have not been grounds for suspension of the GDP+ mechanism in the event of a serious and systematic breach. Last September, the EC presented a draft of a new regulation to extend sanctions to these agreements. If adopted, the Union will gain the ability to

In the initialled agreement with the OACPS (79 African, Caribbean and Pacific states), climate is listed among the six priority areas, indicating its growing importance in the partners' cooperation. actually respond to their violations (until now, it can only determine whether a country ratified and implemented a particular climate agreement).

The EU is also placing an increasing emphasis on climate issues in partnership agreements with third countries and their groups. This manifests itself in an increased number and detail of environmental and climate provisions and the strengthening of mechanisms to monitor compliance.<sup>10</sup> For

example, in the initialled agreement with the OACPS (79 African, Caribbean and Pacific states), climate is listed among the six priority areas, indicating its growing importance in the partners' cooperation. In comparison, the previous 2000 Cotonou Agreement with the same countries focused on three areas: development, economy and trade, and politics. In June 2022, the EC also proposed a new approach to trade and sustainable development (TSD) includes sanctions for violations of the Paris Agreement and which has already been applied to the agreement with New Zealand.<sup>11</sup>

However, previously concluded trade agreements are characterised by varying degrees of precision in their provisions. The most detailed and far-reaching is the 2021 agreement with the United Kingdom. Among others, the parties reaffirm their aim to achieve economy-wide climate neutrality by 2050 and their commitment to effectively implement the UNFCCC and the Paris Agreement. They

also set environmental targets, which they committed not to lower. The agreement envisages the EU and the UK working together on the international stage, including through ongoing dialogue, and to coordinate their positions at the UN, G7 and G20, OECD, IMF, World Bank, WTO, IMO, and ICAO. However, such precise wording is the exception rather than the rule. The agreement with Singapore, for example, provides in a general way for

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climate cooperation, a commitment to effective implementation of multilateral environmental agreements, and mutual support for efforts to develop a post-2020 international climate change

<sup>&</sup>lt;sup>10</sup> D. Torney, "Follow the leader? Conceptualising the relationship between leaders and followers in polycentric climate governance," *Environmental Politics*, vol. 28, no. 1, 2019, pp. 167-186.

<sup>&</sup>lt;sup>11</sup> European Commission, "Key elements of the EU-New Zealand trade agreement," 20 June 2022, www.policy.trade.ec.europa.eu.

agreement under the UNFCCC. This last element, however, does not appear in the agreements with Japan and Vietnam. Even less attention is paid to the climate issue in the CETA with Canada.

In the case of cooperation agreements, the level of ambition of the Union itself has also been a problem, so far symbolised by the Mercosur agreement (Brazil, Argentina, Paraguay, Uruguay). The EC at first omitted an assessment of potential environmental impacts and by the time negotiations closed in June 2019, only the first of its three phases had been completed, while the full report was not released until 29 March 2021 and did not impact the shape of the agreement.<sup>12</sup> In an attempt to alleviate the objections raised by the European Ombudsman and environmental organisations to the EU's actions in this regard, the Union suspended further proceedings of the agreement until Brazil takes concrete action to protect the Amazon rainforest.<sup>13</sup> However, ratification at the Member State

It can be expected that the climate issue will be introduced into its agreements in an increasingly broader and more systematic way. level remains uncertain anyway. In November 2021, Ireland, supported by France and Austria, opposed approval of the Mercosur agreement on the grounds that the environmental safeguards in it are too low.

The differences in the EU approach result mainly from the timing of the negotiations of the agreements, and in some cases (e.g., CETA) their rather narrow scope. Nevertheless, the Union

attaches more and more importance to TSD, and therefore it can be expected that the climate issue will be introduced into its agreements in an increasingly broader and more systematic way.

In the case of partners on whom the EU is least able to exert influence, the Union also tries to use non-contractual incentives. One of the major successes of EU climate diplomacy was to persuade Russia to ratify the Kyoto Protocol in 2004 in return for supporting its accession to the WTO.<sup>14</sup> The problem, however, is that these are ad hoc efforts and based virtually entirely on the momentary political will of the partners involved. They are therefore not systematised, which limits their effectiveness.

#### The Pitfalls of European Climate Diplomacy

The main problem with any climate action is the very limited scope for effective coercive measures due to the structural determinants of the international order. The ability of individual states to embrace the idea of climate protection is influenced by their level of economic development, the level of threat of climate change, energy issues, etc.<sup>15</sup> Richer countries are less susceptible to the

Union's pressure and financial incentives, while poorer third countries often tell the EU that the climate reforms it is demanding could lead to disruption of their internal stability or threaten their security because the requested action does not take local circumstances into account. As a result, EU climate diplomacy is not always effective. For example, its proposal to include international aviation in the EU Emissions Trading Scheme (ETS) was strongly

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opposed by the U.S., Russia, China, and India. These countries said that the EU was overstepping its jurisdiction in doing so, even though the solution would promote a global CO<sub>2</sub> emissions reduction.

<sup>&</sup>lt;sup>12</sup> "EU-Mercosur Association Agreement. Governance issues in the EU trade decision making process," *Client Earth*, June 2021, www.clientearth.org.

<sup>&</sup>lt;sup>13</sup> J. Spring, "EU-Mercosur trade deal to clear environmental hurdles this year, EU commissioner says," *Reuters*, 2 May 2022, www.reuters.com.

<sup>&</sup>lt;sup>14</sup> D. Torney, op. cit.

<sup>&</sup>lt;sup>15</sup> S. Weko, "Communitarians, cosmopolitans, and climate change: why identity matters for EU climate and energy policy," *Journal of European Public Policy*, DOI: 10.1080/13501763.2021.1918751.

There are still more promises from the Union than real, meaningful undertakings and enforcement of declared objectives, including in internal climate policy. While the climate commitments for 2020 have been met, the 2030 and 2050 targets already appear as major challenges. In the current

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environment in which the energy crisis has brought energy security and energy saving issues to the fore in Europe, a significant increase in ambition could lead to serious internal divisions. Hence, in Sharm el-Sheikh, the EU only announced the possibility of raising the EU reduction target from 55% to 57% by 2030. The simultaneous struggle with

the energy crisis (including a periodic increase in the use of fossil fuels) and the resulting difficulties with implementation of the EGD and "Fit for 55" initiative present a serious challenge for the EU's global climate leadership.

Despite an impressive set of tools to support and push partners to take climate action, the EU is not in a position to achieve the goals of the Paris Agreement on its own. Nor will the results from any action taken through EU leadership be visible immediately; in most cases, they will be visible only by 2100 and reflected in IPCC indicators, rather than observable in everyday life. As demonstrated by the position of India and China during the adoption of the COP26 conclusions (in which the EU managed to push through the 2050 perspective for climate neutrality, but not unconditionally), current economic interests and political support in elections are still more important for many international actors than securing the wellbeing of future generations. For many developing countries, what counts most is the fight against extreme poverty, hunger, etc.

Adapting to climate change and setting up a loss and damage (L&D) mechanism<sup>16</sup> can bring faster results, although it is still controversial. At COP27 in Sharm el-Sheikh, the issue of the L&D

mechanism was decisive for the final outcome of the summit. After a long deadlock, the negotiations were only brought to an end by the intervention of EU Commissioner Frans Timmermans, who proposed a change in the Union's position and the creation of a compensation fund for countries most vulnerable to climate change. The inclusion of L&D in the summit conclusions was a breakthrough because for the first time, the EU recognised, albeit not explicitly, the responsibility of developed countries towards

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developing countries. This success, however, is limited by the lack of details about the L&D fund's implementation and the controversy surrounding the pool of future donors (e.g., China's share). Again, the enforcement of EU promises may prove to be a problem for the credibility of its leadership.

The transfer of EU good practices aimed at deepening multilateral cooperation is often still characterised by inconsistency. The EU aims to reduce emissions, which it rewards, for example, with trade preferences, but increased trade is usually associated with increased emissions.<sup>17</sup> Moreover, part of normative climate-related external action is also aimed at pragmatically defending European interests and creating competitive advantages. Developing countries have repeatedly accused the EU of, for example, excessive protectionism regarding the intellectual property of RES technologies and of placing trade profits above climate priorities, which they see as incompatible with climate leadership. The EU also attaches considerable importance to protecting its internal market. For example due to the varying levels of climate ambitions around the world, there is a risk of carbon leakage (i.e., relocation of energy-intensive industry, for example) to countries with lower environmental standards. This is why the EC proposed in 2021 to impose a border carbon tax (CBAM)

<sup>&</sup>lt;sup>16</sup> Z. Nowak, "COP27—A Summit of Mistrust," *PISM Commentary* No. 143, November 2022, www.pism.pl.

<sup>&</sup>lt;sup>17</sup> O. Lazard, R. Youngs (eds.), op. cit.

on carbon-intensive goods arriving to the EU from third countries (which was strongly opposed by them) to protect domestic industry.

#### **Conclusions and Outlook**

EU climate diplomacy has undergone significant organisational changes over the years, justifying the Union's growing authority.<sup>18</sup> As the EU's share of GHG emissions continues to decline (it is currently

EU climate diplomacy has undergone significant organisational changes over the years, justifying the Union's growing authority. around 8%) and its climate credibility grows, the importance of the external dimension of its actions will also increase. This is indicated by the recent introduction of a new approach to TSD or the elevation of climate change as an international security issue and its integration into foreign policy. However, when assessing the effectiveness of the EU's climate diplomacy, it should be borne in mind that the

EU's ability to tackle climate change is limited due to its own resources being a drop in the ocean of global needs, the lengthy wait for results, and the internal conditions of its partners.

Despite its shortcomings, the EU is an important player in the global fight against climate change. Its efforts and common action with the U.S. and others help to keep the topic of climate change high on the global agenda, which in itself should be seen as positive, especially during this energy crisis when there is a real risk of climate change being marginalised. It can also be notable that it was the EGD

and the resulting EU contribution to the Paris Agreement that set the global standard and inspired other economies in the world to adopt precise deadlines for achieving climate neutrality, which were sealed at COP26 in 2021.

The effectiveness of EU climate diplomacy would benefit from a more consistent use of the instruments available to the Union, such as political conditionality, which is likely to gain importance Despite its shortcomings, the EU is an important player in the global fight against climate change.

with the adoption of the EC's proposed new GSP regulation or the introduction of TSD standards. Both of these measures should in the long term translate into greater coherence of EU climate efforts. At the same time, the stick alone, even if applied consistently, remains insufficient. Tackling climate change is a luxury for many countries due to insufficient resources to meet even the most basic needs of their citizens. In this context, increased effectiveness of the NDICI, and therefore the proverbial carrot, can bring about beneficial change.

Another issue for the EU's credibility remains the need for a rapid start in the technological race so that the European economy can keep up with the implementation of the standards it is proposing (e.g., electric cars). The key here will be a change of discourse form presenting the issue of climate

The key here will be a change of discourse form presenting the issue of climate change as a burden to one of opportunity a new impetus for development. change as a burden to one of opportunity—a new impetus for development. However, the challenge, both in terms of image and organisation, will remain to reconcile the protection of European interests and the creation of a green competitive advantage in line with the idea of strategic autonomy with the EU's growing ambition and climate leadership.

On the domestic front, concerted action by the 27 Member States is essential, in particular not lowering standards to resolve the energy and economic crisis, which should translate into greater credibility for the EU externally. However, as the Union cannot prevent climate change on its own, it

<sup>&</sup>lt;sup>18</sup> S. Kolarz, Z. Nowak, "Together, yet Separate—Identifying the Internal Preconditions of Creating EU Climate Diplomacy," *PISM Strategic File* No. 12, 6 December 2022.

is also necessary to conduct a consistent foreign policy based on extensive dialogue with partners and adapting the EU's approach to their local needs.

The EU should not stop using existing tools, but adapt its offer and actions accordingly to changes in global political and economic circumstances. It will be important in this regard to be proactive and to engage constructively with countries that see climate policy in different terms than the EU (e.g., India and China) and are not responsive to European leadership in this area or have different conditions and needs. However,

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this will require greater openness to other models of cooperation, for instance, applying an individual approach to partners, and when cooperation with their authorities is not possible, supporting local communities and NGOs.