THE GEOPOLITICS OF DECARBONISATION:
Reshaping European Foreign Relations

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Dennis Tänzler and Emily Wright, adelphi
Introduction to the project

Timeframe: July 2017 - June 2020

Project team:

Dennis Tänzler
Director of International Climate Policy

Emily Wright
Project Manager

Prof. Dr. Sebastian Oberthür
Research Professor Environment & Sustainable Development

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Federal Foreign Office
THE GEOPOLITICS OF DECARBONISATION: Reshaping European foreign relations

Overview

1. Introduction: Decarbonisation as a challenge for EU foreign policy
2. Key findings from the case studies
3. Recommendations in five areas:
Decarbonisation as a foreign policy challenge

The decarbonisation challenge
To manage the decline of carbon-intensive development models, and promote the emergence of more sustainable energy production and resource use.

The geopolitical challenge
To tackle climate change beyond national borders, and to build fruitful external relations beyond fossil fuels and other high-carbon products.

The geopolitical decarbonisation challenge for the EU
To use EU’s entire diplomatic toolbox to support the Paris Agreement’s implementation and reshape external relations to minimise any destabilising effects.
Key findings from the case studies

Overview of key characteristics of our six case study countries (I/II)

<table>
<thead>
<tr>
<th></th>
<th>Nigeria</th>
<th>Azerbaijan</th>
<th>Colombia</th>
<th>Indonesia</th>
<th>Qatar</th>
<th>Canada</th>
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<tbody>
<tr>
<td><em><em>Fossil fuel</em> trade with the EU and in general</em>*</td>
<td><img src="image1" alt="Flag" /></td>
<td><img src="image2" alt="Flag" /></td>
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<td><img src="image5" alt="Flag" /></td>
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<td>Fossil fuels as % total exports**</td>
<td><img src="chart1" alt="Chart" /></td>
<td><img src="chart2" alt="Chart" /></td>
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<td>Fossil fuel exports to the EU as % total fossil fuel exports</td>
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<td>Fossil fuel exports to the EU as % total exports to the EU</td>
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* Indonesian trade in fossil fuels with the EU is not significant. In this case, the diagrams refer to EU-Indonesian trade in palm oil.
** In all cases, “total exports” refers to total commodities exports (Source: [https://resource-trade-earth.org](https://resource-trade-earth.org)).
### Key findings from the case studies

#### Overview of key characteristics of our six case study countries (II/II)

<table>
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<tbody>
<tr>
<td><strong>Fragility (2019)</strong></td>
<td>Alert</td>
<td>Warning</td>
<td>Warning</td>
<td>Warning</td>
<td>Stable</td>
<td>Sustainable</td>
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<tr>
<td><strong>Human development (2018)</strong></td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>Very high</td>
<td>Very high</td>
</tr>
<tr>
<td><strong>Strength of governance (2017)</strong></td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>Very high</td>
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<tr>
<td><strong>Climate change vulnerability (2017)</strong></td>
<td>High</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Sustainable energy development (2017)</strong></td>
<td>Medium</td>
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Key findings from the case studies

I: Decarbonisation can constitute a key political and economic challenge for fossil-fuel exporters

- High dependence on fossil-fuel production and export
- Exposure to price fluctuations
- High risk of stranded assets and insufficient diversification

II: The decarbonisation challenge can intersect with various other fragility and security risks

- National and regional security risks
- Fragile governance contexts
- Severe climate change impacts
Key findings from the case studies

III: Climate policy frameworks are in urgent need of further development, but ambitious climate policies face significant resistance

- Climate policy frameworks are at various stages
- Significant opposition to transformational climate action

IV: EU external relations can build on pre-existing cooperative arrangements

- For example, partnerships, trade agreements and cooperation in regional and multilateral fora.
V: There is ample room to develop EU external relations with fossil-fuel exporters beyond fossil fuels
Recommendations

1. CLIMATE AND ENERGY

• Support decarbonisation processes as a central foreign policy requirement

• Use a variety of instruments to promote exchange and dialogue on climate-friendly solutions

• These include:
  • Country-specific and regional partnerships to support the preparation of key policy frameworks (e.g. long-term strategies)
  • Measures to promote the additional benefits of sustainable energies
Recommendations

2. TRADE AND INVESTMENT

- Develop trade and investment as an important area to support global decarbonisation:
  - Ensure that decarbonisation is reflected as a priority in trade and other economic agreements
  - Push for instruments promoting foreign trade to phase out the financing of incentive schemes for fossil fuels
  - Promote joint risk assessments on stranded assets
Recommendations

3. SCIENCE AND EDUCATION

• Ensure that research and education support economic diversification and low-carbon development

• The EU can already build on existing measures (e.g. Erasmus+ programme) to:
  • Promote the development of a low-carbon, knowledge-based economy
  • Support the integration of renewable energies and energy efficiency into university courses (e.g. engineering sciences)
Recommendations

4. FINANCE AND DEVELOPMENT

• The EU can trigger funding for initiatives to strengthen low-carbon development

• Development finance could provide greater support for the equitable transition to a decarbonised economy:
  • Use the momentum of the debate on the multiannual financial framework 2021-2027 to ensure climate-friendly investment
  • Extend the model of the just transition fund in the framework of EU external relations
5. PEACE AND SECURITY

- EU foreign policy should look to play a strong and stabilizing role in shaping the new decarbonised world that is emerging.
  - Update and expand risk assessments for countries and regions (e.g. price fluctuations of fossil fuels, stranded assets)
  - Invest in increasing the resilience of countries to the impacts of climate change (e.g. water and food crises)
  - Adapt partnership building strategies to reconcile climate policies with trade and financial measures in other sectors
FUTURE PROSPECTS

Priorities and next steps - for German EU presidency and beyond

• Paris Agreement implementation (e.g. ambition raising, long-term strategy development)
• Green COVID-19 recovery packages (design, experiences, diffusion)
• EU budget negotiations (ensure prominent role of climate)
• Future High-level summits (EU-China; EU-African Union among others)
THANK YOU FOR LISTENING!