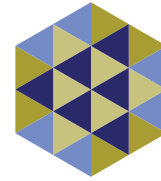




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A strong start

Revived energy diplomacy for
the new European Commission



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The new European Commission comes at a time of great geopolitical and geoeconomic challenges. They brought to the fore the key role that energy plays in the security, industrial competitiveness and economic stability of Europe and its international partners. The EU's energy systems are undergoing rapid transformation towards more flexible and interconnected power markets, further electrification and sustainable demand reduction. This offers an opportunity to lessen the EU's dependency on volatile fossil fuel markets as well as reducing exposure to unwarranted dependencies on foreign suppliers. The EU has a key interest in sharing its domestic experience and technologies with other countries to bolster their energy transition and strengthen its alliances amidst changing geopolitics. EU energy diplomacy can serve its broader security, foreign, trade and climate policy.

Now is the time to upgrade and accelerate the EU's energy diplomacy in order to ensure it is both a strong global player and a trusted partner. In this paper, several experts from European think tanks outline priorities for the new European Commission in the field of the European Green Deal energy diplomacy. The recommendations are based on previous analysis and expert debates (see list of publications in references).

1. Frameworks

Re-define European energy security: the EU's understanding of energy security should look beyond security of fossil fuel supply. Instead, the EU needs to focus on accelerating the shift of its energy system towards a more flexible, decentralised, resilient and sustainable one. A new definition of energy security should take into account:

- i. Flexibility, energy savings and demand reduction, coupled with the electrification of adjacent sectors and deployment of clean and renewable sources;
- ii. economic potential of decarbonising key sectors, such as buildings and power sector;
- iii. physical and operational resilience of critical energy infrastructure against

- attacks and extreme weather events, as well as a cybersecurity strategy;
- iv. the security of supply of critical materials (e.g. Critical Raw Materials (CRMs)) and intermediary energy-intensive goods (e.g. green iron, methanol, ammonia), electricity, green hydrogen, clean technologies (batteries, solar panels, inverters) and, importantly, the skilled workforce, needed to run the increasingly decarbonised European energy system.
- v. Enhanced mechanisms of cooperation among EU Member States (sharing reserves, supporting balancing tools) and well-established institutions and procedures for effective crisis anticipation and response.

2. Strategy

- a) **Re-shape the EU External Energy Engagement Strategy** around green economic growth and win-win **partnerships with emerging markets and developing economies**. This means going beyond development aid and the supplier-buyer logic to facilitate local value creation. The EU could draw on these partnerships to establish more diversified supply and value chains for energy commodities, CRMs and clean technologies. This would help drive both local and global energy transition, while derisking from geopolitical rivals and bolstering EU's political alliances.
- b) **Align foreign policy priorities** with current energy security concerns by taking a different approach to key regions, guided by technical and geopolitical considerations. This includes supporting energy transitions and wider economic transformations in strategic geographies that can also help reduce the EU's fossil fuel import dependency, while building on historic ties and the EU's geopolitical priorities.
 - i. The **Western Balkans, Ukraine, Moldova and Georgia** as part of the EU accession process hold significant potential as green energy and CRM suppliers as well as hubs for resilient energy systems.

- ii. The **Southern Neighbourhood** holds an immense untapped potential for renewable energies, namely solar and wind and hydrogen or ammonia, while the broader Mediterranean space can evolve towards an integrated decarbonized industrial space.
 - iii. **Latin America** is another natural partner. It is advancing fast in the decarbonization process, renewables constitute a significant percentage of its electricity mix, and it has a significant potential as a supplier of CRM.
 - iv. **Middle income fossil-fuel exporters** that are banking on supplying more oil and gas to Europe in the short term will gradually be faced with shrinking demand. This can be a starting point for dialogue towards supporting these countries' diversification away from over-reliance on fossil revenues and their just transition.
- c) **Switch from a crisis management mode to a strategic, long-term approach to strengthen resilience.** The EU could include security assessments – with different risk scenarios – in every new energy deal concluded with energy and green goods producers. Moreover, energy deals should be increasingly considered as a key part of EU's broader geopolitical strategy planning.

3. Communication

- a) **Refocus energy diplomacy communication with emerging economies on shared benefits from accelerated renewable energy transition**, emphasizing local value creation, sustainable growth and peer-to-peer industrial and trade cooperation. Avoid the (neo-imperialistic) narrative focused on third countries' role as resource supplier to the EU. Instead, position the EU as a reliable, efficient and trustworthy alternative to China.
- b) **Develop a clear communication plan outlining the goals of specific trade and diplomacy instruments** (EU Emission Trading System (ETS), Carbon Border Adjustment Mechanism (CBAM), EU Deforestation

Regulation (EUDR), Global Gateway, Methane Regulations, Just Energy Transition Partnerships, the EU Taxonomy etc.). Moreover, outline the potential benefits and support available for affected partner countries, while recognizing the risks and challenges some of these measures pose for developing countries. This would help prevent miscommunication and disinformation campaigns and ensure that these instruments are well received by partner countries as tools bringing forward global decarbonization, and not as protectionist measures.

- c) **Address the mismatch in communication between the EU's declining oil and gas needs and the ongoing trend to prompt external partners to invest more in new gas supply and export infrastructure.** The EU's own 2040 Impact Assessment projects a gas demand decline of over 50% and oil demand decline of 24% by 2030 if the EU implements existing policies to expand renewables, increase efficiency and implement market reforms as set out in the Fit for 55 and RePowerEU action plan.² The EU could be more transparent about this and engage in a dialogue with current suppliers to prevent any accusations of double standards, stranded assets and the resulting future political frictions.

4. Partnerships

- a) **Engage in mutually beneficial partnerships with non-EU countries** that are based not only on resource extraction but on building sustainable industrial value chains and creating local added value. By helping generate prosperity in partner countries, in the long-term this could among other things help manage root causes of forced migration towards Europe due to socio-economic and political instability.

² Compared to 2019. EU modelling from Feb 2024 [Impact Assessment](#) accompanying [2040 climate target](#). Data from Figure 14 data, downloaded from link "[Supplementary information: data for the graphs presented in the impact assessment](#)" on [this page](#).

- b) **Support Ukraine's green and decentralised reconstruction.** Ensure Ukraine can become a full-fledged part of the increasingly decarbonised European energy system and contribute to industrial competitiveness of the EU with its vast renewable energy and CRM potential, industry and workforce. Immediate reconstruction efforts are also necessary as Ukraine's energy infrastructure is a constant target of Russian attacks. The EU could intensify its cooperation with the revamped Energy Community and the IFIs to mobilise support and equipment delivery to prepare for winter seasons. Ukraine can ultimately testify to the ability of a renewables-based, decentralised electricity grid to increase energy security in the face of disruptions, providing best practice for both European countries struggling with a congested grid and the EU's partners. Better integration of the Western Balkans with their large flexible resources will be an essential element.
- c) **Reframe energy partnerships with Southern-Mediterranean countries** to ensure that cooperation on clean energy contributes to security, incremental stability and an improved socio-economic situation in the region. This could be done by setting more ambitious renewables deployment targets and promoting grid interconnectors. To this end, more consistent funds need to be unlocked for comprehensive cross-border infrastructure projects. Local use by industry and other sectors should be the priority for planned renewable power and hydrogen projects, especially in view of CBAM's entry into force in 2026.
- d) **Increase energy cooperation and dialogue with Latin America.** Latin America is one of the most attractive regions for the development of the external dimension of the European Green Deal, especially in the areas of renewables, decarbonisation, regulation, security of supply of CRM and just transition.
- e) Support an **equitable and secure transition for vulnerable fossil fuel producing countries** as the largest, yet quickly shrinking, oil

and gas import market. The EU needs to ensure continuous dialogue with vulnerable producers to transition away from fossil fuel revenues. Use the 2025 NDC update process to showcase a strategy for transitioning away from fossil fuels, which vulnerable oil and gas producers can build on. Energy transition dialogues with further countries dependent on fossil revenues could furthermore contribute to futureproofing the EU's trade and energy relationships.

5. Instruments

- a) **Align EU energy diplomacy and external trade measures.** Measures like CBAM and EUDR have been badly received and are often seen as jeopardizing economic development in emerging economies. The EU's green trade agenda should be an entry point for dialogue on fostering energy transition in third countries. The Commission needs to have more exchanges with countries affected by CBAM and other EU regulations (incl. The Net Zero Industry Act (NZIA), Critical Raw Materials Act (CRMA)), and support them with their carbon pricing and decarbonisation policies, as well as explore which EU tools could be brought in to help decarbonise local industry.
- b) **Align the Global Gateway with broader EU (trade and diplomacy) tools.** More investments in clean infrastructure are needed to facilitate a transition in key geographies, especially those affected by CBAM and other EU regulations, and vulnerable fossil fuels producers. These investments need to be aligned with other EU diplomacy and trade tools and expanded via deeper engagement of the private sector stakeholders.
- c) **Use the mid-term review of the EU Neighbourhood, Development and International Cooperation Instrument (NDICI – Global Europe) to re-focus the EU development budget towards strategic support of the energy transition in key partner countries.** This could be an

opportunity to align foreign policy priorities with financial development instruments, for instance with a targeted approach to regions.

6. Institutions and capacity building

- a) **Boost EU's energy diplomacy coordination** among EU institutions and with Member States to shape a coherent energy diplomacy. Increase strategic exchanges between national experts and EU officials under the coordination of the European External Action Service (EEAS), by promoting in-person meetings and information sharing on national initiatives. Consider creating a cross-departmental unit for action on energy security and linking it to EU's energy diplomacy (Energy Security Taskforce).
- b) **Create more capacity for energy diplomacy in the EU delegations.** More EU diplomats with energy expertise, coupled with specific regional expertise, could facilitate dialogue on for instance carbon pricing and just energy transition cooperation.

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