Council of the European Union

Brussels, 3 March 2023
(OR. en)

6233/23

LIMITE

COPS 82
CFSP/PESC 218
DEVGEN 27
CONUN 41
ENER 70
CLIMA 64
SUSTDEV 30
ENV 116
ONU 10
RELEX 170

PUBLIC

'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
Subject:	Draft Council conclusions on Climate and Energy Diplomacy

1. Delegations will find attached the text of the draft Council conclusions on Climate and Energy Diplomacy, as agreed by the Political and Security Committee on 2 March 2023.

2. COREPER is invited to confirm the agreement on the text of the draft Council conclusions on Climate and Energy Diplomacy as set out in Annex and submit the draft Conclusions to the Council for approval.

ANNEX

Draft Council conclusions on Climate and Energy Diplomacy

"Bolstering EU climate and energy diplomacy in a critical decade"

PUBLIC

1. The consequences of the triple planetary crisis of climate change, biodiversity loss and pollution pose a global and existential threat, particularly affecting the most vulnerable, increasing poverty and inequality and affecting stability. As such, EU Climate and Energy Diplomacy is a core component of EU's foreign policy. The EU is determined, to engage and work with partners worldwide through our Climate and Energy Diplomacy: to implement the Paris Agreement; to limit the global temperature increase to 1.5°C compared to pre-industrial levels; to support the most vulnerable, in particular in least developed countries (LDCs) and Small Island Developing States (SIDSs), in adapting to climate change effects; and to increase collective climate finance. The EU will also continue to support just transitions towards climate neutral and resilient economies and societies, in line with the 2030 Sustainable Development Agenda, and the Addis Ababa Action Agenda on development finance. In this context, the EU underlines the importance of a strong rules-based multilateral approach, with the UN at its core, to successfully address these global challenges.

2. Russia's illegal, unprovoked and unjustified war of aggression against Ukraine, which constitutes a manifest violation of the UN Charter, has created untold human suffering, massive environmental damage and increased risks to nuclear safety in Ukraine. It has precipitated an energy security and food crisis with global impacts. The Council rejects using energy and food as a weapon. The EU will phase out its dependency on Russian gas, oil and coal imports as soon as possible. The EU is fully committed to continuing supporting partners and in particular Ukraine, including in responding to Russia's systematic destruction of Ukraine's critical infrastructure, and in particular the energy system. The EU will contribute to its recovery and resilience needs and will assist its long-term economic and energy transition. Greening Ukraine's reconstruction can serve as one of the win-win foundations of Ukraine's closer integration with the EU.

3. In light of the findings of the Intergovernmental Panel on Climate Change (IPCC), the Council strongly underlines that the climate crisis requires immediate, urgent, accelerated action and strengthened ambition. Strong and ambitious mitigation action is the best tool to prevent increased adaptation needs, as well as loss and damage associated with the adverse effects of climate change. Solutions are available in all sectors that could, together, halve global greenhouse gas emissions by 2030, as indicated by the IPCC. The Council encourages partners to embrace the opportunities to create sustainable economic growth and jobs.

4. The world's collective net-zero ambitions have the potential to reduce temperature rise significantly, but actual policies and investments remain vastly insufficient to stay safely within the Paris temperature goal. Limiting the temperature increase to 1.5°C would substantially reduce the impacts of climate change. In this context, the Council urgently calls for increased global action and ambition in this critical decade, in line with the IPCC analyses: limiting warming to around 1.5°C requires global greenhouse gas emissions to peak by 2025 at the latest, and be reduced with 43 percent by 2030 compared to 2019. In the case of methane, collective efforts need to be made to reduce global methane emissions at least 30% from 2020 levels by 2030.

PUBLIC

5. The Council calls on all countries, and in particular on all major emitters and G20 members, to redouble their efforts to adopt and implement ambitious, 1.5°C-compatible climate and energy policies. In this context, the Council calls on all countries, in particular the ones that have not yet done so to present as soon as possible in 2023, well before COP28, their new or updated Nationally Determined Contributions (NDCs) with stronger, more ambitious and absolute economy wide emission reduction targets. These should be underpinned by concrete policies and measures to implement them. The EU is committed to the swift operationalisation of an ambitious Mitigation Work Programme, as an important instrument to urgently scale up mitigation ambition and implementation in this critical decade to promote robust policies and explore how the different sectors and a just energy transition can contribute towards ambitious climate action and enhancement of commitments. The Council also calls on countries to present, as soon as possible, Adaptation Communications and to present or update their long-term low greenhouse gas emission development Strategies (LT-LEDS) towards reaching net-zero emissions by 2050. The EU encourages more ambitious emission reductions in all sectors, and welcomes commitments from sectors such as transport, including shipping and aviation.

6. This year, the world has a unique opportunity to showcase progress and to provide further guidance for the next generation of NDCs and get on track to reach the Paris Agreement goals via, in particular, the Climate Ambition Summit, alongside the second SDG Summit convened by the UN Secretary General in September, and the political phase of the 'Global Stocktake' at the UNFCCC COP28 in the United Arab Emirates. In this context, the EU welcomes the UN Secretary General's report Our Common Agenda and the announced Summit of the Future, scheduled for 2024, as incentives to spur further global action through an inclusive and effective multilateral approach.

PUBLIC

7. The EU itself is taking determined and decisive action to reduce net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels, to reach climate neutrality by 2050 at the latest, and to aim for negative emissions thereafter. The Council stands ready, as expressed in the Council Conclusions of 24 October 2022, as soon as possible after the conclusion of the negotiations on the essential elements of the 'FitFor55' package, to update, as appropriate, the NDC of the EU and its Member States, in line with § 29 of the Glasgow Climate Pact and §23 of the Sharm el-Sheikh Implementation Plan to reflect how the final outcome of the essential elements of the Fitfor55 package implements on the EU headline target as endorsed by the European Council in December 2020. The EU shall set its climate target in accordance with the European Climate Law. To that end, at the latest within 6 months of the first Global Stocktake, the Commission shall make a legislative proposal, as appropriate, based on a detailed impact assessment. The Council invites the High Representative and the Commission, together with EU Member States through our Climate Diplomacy to call upon all other countries to also set high ambitions as soon as possible for the next round of NDCs post-2030, well in advance of COP30 in 2025. With the EU Emissions Trading System as a crucial element of the EU's policy response, the EU encourages partners to establish and extend their own carbon pricing instruments to reduce emissions effectively and efficiently.

8. The Council strongly underlines the crucial importance of strengthening adaptation and resilience measures worldwide and the urgent need to scale up action and support in averting, minimising and addressing loss and damage associated with climate change impacts. The Council also stresses the importance of national and local adaptation planning, to support effective and locally-led implementation, and the importance of achieving the Global Goal on Adaptation. In this context, the Council supports the full and effective operationalisation of the Santiago Network, the implementation of the Sendai Framework for Disaster Risk Reduction, as well as its mid-term review, to be conducted in 2023, and the effective implementation of national adaptation plans.

PUBLIC

9. The Council confirms the EU's commitment to support the most vulnerable, especially in least developed countries and small island developing states, and to reinforce the existing network of institutions currently providing assistance and capacity building to developing countries in preparing for and responding to climate impacts. In this spirit, the EU and its Member States underline the call of COP 26 in Glasgow, to at least double collective provision of climate finance for adaptation for developing countries by 2025, compared to 2019 levels.

10. The Council calls on the EU and its Member States to continue to increase funding for adaptation and climate resilience, with a focus on the most vulnerable through joint Team Europe Initiatives as well as through other international instruments such as the Global Shield Against Climate Risks of the V20/G7. The EU strongly supports the United Nations Secretary-General's call for a universal coverage of life saving early warning systems within the next five years including through increased support for the Climate Risk and Early Warning Systems Initiative (CREWS) and through the Systematic Observations Financing Facility (SOFF).

11. The Council calls on the EU and its Member States to continue to constructively engage in the discussions on new funding arrangements, including a fund, to assist developing countries that are particularly vulnerable, in responding to loss and damage associated with the adverse effects of climate change. The Council calls on all partners, from all regions, in a position to do so and beyond the traditional base of providers of development finance, to expand their support as well as to identify new sources of funding, including innovative sources, by enhancing complementarity, synergies, coherence and coordination, and seeking to fill priority gaps in the existing mosaic of solutions and institutions.

PUBLIC

12. Given the intrinsic interdependencies between climate change, biodiversity loss and land degradation including desertification, and alterations of the water cycle, the Council calls on the EU and its Member States to continue to increase measures, including funding for biodiversity and nature based solutions and partnerships. The Council recognises the critical role of oceans, their 'blue carbon' function, and the critical need to protect, conserve and restore terrestrial ecosystems, including forests, as well as inland and coastal water ecosystems, in mitigating, adapting to and building resilience against the effects of climate change. The Council also recognises the need for a comprehensive approach on water-related challenges, and welcomes the UN 2023 Water Conference. The Council acknowledges the need for enhanced action on water and is committed to drive the forthcoming Water Action Agenda forward, as part of its Climate and Energy Diplomacy. Furthermore, the Council underlines the importance of ending plastic pollution. The Council also stresses the importance of protecting cultural heritage against the devastating effects of climate change and extreme weather events.

13. The Council welcomes the Kunming-Montreal Global Biodiversity Framework, the landmark agreement adopted at the United Nations Conference on Biodiversity (15th Conference of the Parties to the Convention on Biological Diversity (CBD COP15), which is a framework for global action on biodiversity through to 2030 and beyond, and calls for its effective implementation, including through early submission of high quality national biodiversity strategies and action plans (NBSAP), in time for consideration at CBD COP16. Together with the Paris Agreement, the Framework paves the way towards a climate-neutral, nature-positive and resilient world by 2050.

PUBLIC

14. The Council welcomes the commitment to double EU external funding to €7 billion for the period 2021-2027 for biodiversity, in particular for the most vulnerable countries, as well as similar commitments taken by some EU Member States before and at CBD COP15, while recognising that significant additional funding and investments from all countries and sources are needed, as well as avoiding investments that might have negative impacts on biodiversity and nature.

15. The EU – including its Member States and the European Investment Bank (EIB) - is the biggest contributor of public climate finance worldwide, and remains fully committed to contribute to reaching the collective USD 100 billion goal as soon as possible and through to 2025, to support climate action in developing countries and the EU calls on other donors to step up their efforts in this regard. The EU Global Gateway strategy and our Team Europe approach are key instruments in ensuring sustainable investments in the EU's partner countries.

16. The Council stresses the urgency of making finance flows consistent with the goals of the Paris Agreement, mobilising substantially more climate finance globally, scaling up sustainable finance in low and middle income countries, and channelling adequate support in particular to the poorest and most vulnerable in LDCs and SIDSs. In this context, the Council emphasises the importance of accelerating the mobilisation of private finance for climate mitigation and adaptation projects, climate-resilient infrastructure and other development activities and global public goods. The Council underlines the need to involve Finance Ministries in this work, including through the Coalition of Finance Ministers for Climate Action, in order to accelerate the green transitions and achieve a wide scale mobilisation of financial resources in line with the Paris goals. The Council will strive to ensure a dedicated space to discuss the alignment of financial flows, consistent with climate neutrality and climate-resilient development pathways, including at COP28 in Dubai. The Council welcomes the ongoing work of the High Level Expert Group on scaling up sustainable finance in low and middle-income countries for the implementation of the external dimension of the European Green Deal and the development of the Roadmap for Circular Finance.

PUBLIC

17. Improving access to finance for climate actions and bringing down financing costs for climate mitigation and adaptation projects in countries that are most vulnerable to climate change, taking into account their debt burden, is key for the collective goal of scaling up climate finance and reaching the Sustainable Development Goals. The Council therefore welcomes the call made at COP27 in Sharm El-Sheikh to all the stakeholders of Multilateral Development Banks (MDBs) and International Finance Institutions (IFIs) to reform MDBs' practices and priorities and to make all financial flows consistent with climate neutrality- and climate resilient development pathways and calls for a clear timeframe. The Council also encourages MDBs to strengthen the technical expertise they offer to developing countries to elaborate, amongst others, energy transition projects that will attract domestic and foreign private investors.

18. The Council welcomes the recommendations from the G20 Expert Panel Independent Review of MDB Capital Adequacy Frameworks and supports their swift implementation. The Council calls on MDBs to implement applicable recommendations, following a careful analysis of their implications, without jeopardising the MDBs' preferred creditor status, high credit ratings and long-term financial stability. Representatives of the EU and its Member States, as members of Boards of MDBs and IFIs, will coordinate to encourage and support ambitious proposals to further align MDBs' and IFIs' strategies with the Paris Agreement goals and to significantly increase climate finance and welcomes the ambition of the European Investment Bank (EIB) in this regard. The Council looks forward to the discussions on such matters, including on the World Bank Evolution Roadmap, at the 2023 IMF and World Bank Spring and Annual Meetings and will engage constructively with a view to ensuring that the debates provide positive input to further discussions including at COP28 in Dubai. The Council also supports the IMF's role to help its members address structural climate related policy challenges and welcomes that climate change considerations have been incorporated into existing IMF lending facilities through the Resilience and Sustainability Trust.

PUBLIC

19. The Council looks forward to the "Global Financing Pact" Summit in June 2023 in Paris, which should, amongst others, focus on the mobilisation of more climate finance and unlocking new sources of finance for climate vulnerable countries, by improving investment conditions.

20. The EU and its Member States will continue to increase cooperation and work closely with ambitious partners and organisations on the global just transition towards climate neutrality. The Council welcomes the Just Energy Transition Partnerships (JETP) in G7 context with South Africa, Indonesia and Vietnam, and is committed to their operationalization. The Council also supports the ongoing work on other JETPs. The Council looks forward to a strong engagement from all partner countries concerned, necessary for a country-led transformation. In addition to JETPs, the Council invites the High Representative and the Commission to build on ongoing initiatives and to explore the opportunities for increased cooperation with countries that rely heavily on fossil fuels, especially coal, in particular in the Western Balkans, the Eastern Neighbourhood and the Southern Neighbourhood and with developing and middle-income countries with high energy related emissions.

PUBLIC

21. The Council recognizes that climate change, biodiversity loss, desertification, pollution and environmental degradation represent increasing risks to human, state and regional security and may aggravate conflict drivers and dynamics, as well as dimensions of fragility. The Council reaffirms its diplomatic engagement on water as a tool for peace, security and stability. The Council also recognises the significant gap in climate finance available to fragile and conflict-affected States. It welcomes the 2020-2022 Joint Progress Report on the Climate Change and Defence Roadmap and the Concept for an Integrated Approach to Climate and Security and recalls the Council conclusions of November 2022 on Women, Peace and Security. The Council underlines the importance of integrating the climate, peace and security nexus in EU's external policy and actions, including in analyses, inclusive climate and disaster risk reduction processes and anticipatory action, the conduct of peacebuilding, mediation, conflict prevention, development cooperation, climate finance and climate diplomacy including dedicated water diplomacy. The Council invites the High Representative to strengthen the EU's analytical, early-warning and strategic foresight capacities, mainstream the climate, peace and security nexus, and issue timely warning and analysis on climate related risks.

22. The Council welcomes the High Representative's and Commission's intention to present a joint proposal in order to enable the EU to better prevent and manage the comprehensive security and defence implications of climate change and environmental degradation. The Council also welcomes and encourages increased cooperation with other international and regional organisations such as United Nations, NATO, the OSCE and the African Union as well as with partner countries in line with the EU institutional framework and with full respect to the EU decision-making autonomy.

PUBLIC

23. The Council reconfirms that the primary goal of the EU's external energy policy is to support, intensify and accelerate the ongoing global energy transition as a crucial element towards achieving climate neutrality. An accelerated inclusive and just energy transition is also the key solution ensuring energy security and universal access to safe, sustainable and affordable energy in the EU and our partner countries worldwide while reducing greenhouse gas emissions.

24. The Council acknowledges the Joint Communication 'EU external energy engagement in a changing world' as an essential element of the 'REPowerEU' plan proposed by the Commission, responding to the energy crisis brought about largely by Russia's war of aggression against Ukraine, and Russia's weaponisation of energy against the EU and partner countries. The EU and its Member States will continue to limit the impact of Russia's war of aggression on the energy security and affordability of energy in third countries, in particular the most vulnerable.

25. EU energy diplomacy will actively support the implementation of relevant sanctions and the rollout of the price-cap mechanism on Russian oil and petroleum products.

26. The Council invites the High Representative and the Commission to reinforce, in close cooperation with Member States, outreach, coordination and partnerships with third countries in line with the priorities outlined below. New energy partnerships should complement existing energy cooperation with key partners while safeguarding the EU's own resilience and competitiveness and domestic resources.

27. EU energy diplomacy will promote the increasing uptake and system integration of renewable energy conscious of water and environmental stress, and electricity connectivity. It will also promote the deployment of safe and sustainable low-carbon technologies.

PUBLIC

28. EU energy diplomacy will promote the development of rules-based, transparent and undistorted global hydrogen markets based on reliable international standards and certification schemes.

29. Recognising the crucial role of energy efficiency and savings, the Council invites the High Representative and the Commission to accelerate actions towards making them into a global priority, and to explore the launch of a dedicated initiative, building on existing international efforts, in addition to enhanced bilateral cooperation.

30. The Council highlights the need for investment into increasingly circular industrial processes and value chains aiding the transition towards climate neutrality in hard to abate sectors. The Council further highlights the importance of continuous innovation, in particular in technologies crucial for reaching climate neutrality, and supports further strengthening of bilateral strategic research partnerships and cooperation through global fora such as Mission Innovation, and the Clean Energy Ministerial. The EU will cooperate with international partners to reform regulatory frameworks, will seek to strengthen the technological leadership of EU companies, support the uptake of EU standards globally and promote EU businesses' fair and undistorted access to international markets for resources and technologies, in order to maintain competitiveness, and avoid new dependencies.

PUBLIC

31. The Council considers that a dependence on fossil fuels leaves countries vulnerable to market volatility and geopolitical risk and that the shift towards a climate neutral economy will require the global phase-out of unabated fossil fuels, as defined by the IPCC, and a peak in their consumption already in the near term, while recognising a transitional role for natural gas. The EU will systematically promote and call for a global move towards energy systems free of unabated fossil fuels well ahead of 2050. In this regard, the Council recalls the commitment taken at COP 26 to close the book on unabated coal power through a phase down, and, calls for a resolute and just world-wide transformation towards climate neutrality, including a phasing out of unabated coal in energy production and – as a first step – an immediate end to all financing of new coal infrastructure in third countries.

32. While recognising the need to provide targeted support to the most vulnerable groups, EU energy diplomacy will promote the global phase-out of environmentally harmful fossil fuel subsidies, which are not contributing to a just transition towards climate neutral energy systems. The Council welcomes the progress made in the World Trade Organisation's initiative on fossil fuel subsidy reforms.

PUBLIC

33. The EU's overall fossil fuel imports from Russia have considerably decreased over the past few months. In this context, EU energy diplomacy will support urgent efforts to reinforce and safeguard the EU's energy security while avoiding new dependencies, which is necessary to preserve the competitiveness of the EU and ensure affordable energy to citizens. While in the immediate and medium-term urgent steps are needed to further diversify natural gas supplies, the Council recalls that, in particular in view of collective Member States action on energy savings and accelerated renewables deployment, there is no need for a one-to-one replacement of former Russian natural gas import volumes. In order to support the energy diversification objective under REPowerEU, EU energy diplomacy will support outreach and coordination with reliable natural gas producers and large consumers, promote relevant infrastructure, interconnections and transparent, rules-based, open and liquid energy markets. EU energy diplomacy will support the EU Joint Purchasing Mechanism under the EU Energy Platform, including Energy Community Contracting Parties, paying particular attention to the energy security and resilience of these partners. EU energy diplomacy will also support ongoing efforts by affected Member States to diversify nuclear fuel supplies, as appropriate.

34. The Council emphasises that EU fossil fuel diversification efforts should not undermine long-term climate neutrality goals globally and should avoid creating fossil fuel lock-ins and stranded assets. Diversification efforts should give preference to using existing fossil fuel infrastructure emphasising their potential for re-purposing, and include systematic action to reduce methane emissions. The Council recalls, in particular, the climate and energy security value of trading schemes building on methane capture, such as 'You Collect/We Buy'. EU external energy action shall aim to link fossil fuel diversification efforts with long-term energy transition partnerships.

PUBLIC

35. The Council emphasises the need to support international efforts to reduce the environmental and climate impact of existing fossil fuel infrastructure, including black carbon. In this context, the EU, together with the US and other partners, will continue to further promote and develop action under the Global Methane Pledge. The Council welcomes, in this respect, the development of the Methane Alert and Response System by the International Methane Emissions Observatory. The Council calls on the High Representative and the Commission to take forward work on the Joint Declaration from Energy Importers and Exporters on Reducing Greenhouse Gas Emissions from Fossil Fuels.

36. In order to ensure energy security in the decades ahead, the Council emphasises the need to strengthen and diversify global supply chains of sustainable raw materials needed for the energy transition and looks forward to the Commission proposal on a Critical Raw Materials Act, taking full account of its geopolitical dimensions.

37. EU energy diplomacy will continue to promote and support the highest nuclear safety, environmental and transparency standards, regionally, in the immediate vicinity of EU borders, and globally.

38. The Council recalls the urgent need to deliver on energy poverty and universal energy access in line with the Sustainable Development Goal 7 using innovative finance models and technologies with a particular focus on rural electrification, including decentralised energy systems, and the clean cooking challenge. The Council looks forward to the review of SDG7 at the 2023 high Level Political Forum and second SDG Summit.

PUBLIC

39. The Council emphasises the need to ensure effective multilateral architecture and governance mechanisms driving an inclusive and just global energy transition in alignment with the Paris Agreement objectives, and recalls earlier statements in support of ongoing reform processes whilst limiting the further fragmentation of initiatives.

40. The Council recognises that the energy transition toward climate neutrality, pursued at the requisite pace, will have a significant impact on societies, economies and geopolitics globally. EU foreign policy will continue to strengthen foresight capability to anticipate new security and geopolitical challenges and work, in this context, with third country partners and relevant international initiatives and organisations, such as IRENA and the OECD, as appropriate.

41. The Council, together with the High Representative and the Commission, will continue to reinforce existing and initiate new ways of cooperation with partner countries, civil society and youth and women's initiatives, aiming to increase climate action on regional, national and subnational level, emphasizing the principle of solidarity and the UN's 'leave no one behind' approach. In this regard, the Council recalls its Conclusions from October 2022 on the importance to respect and promote human rights, the right to health, the right to a clean, healthy and sustainable environment, the rights of indigenous peoples as set out in the UN Declaration on the Rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations, as well as gender equality and the full enjoyment of all human rights by women and girls and their empowerment when taking action to address climate change.

PUBLIC

42. The Council is committed to promoting a human rights-based and gender-responsive approach to climate action, promoting social justice, fairness and inclusiveness in the global transition towards climate neutrality, full, equal and meaningful participation and engagement of women in climate-related decision-making and fully meeting our human rights obligations when taking action to address climate change. The EU will also continue to support meaningful engagement of youth and children in climate change decision-making processes, as well as climate education and public awareness on climate change. The Council welcomes the recognition by the UN Human Rights Council and General Assembly that the right to a clean, healthy and sustainable environment is a human right. The EU will actively engage in discussions advancing this right and promote inclusion and non-discrimination. The Council recognises the contribution of environmental human rights defenders, who are facing unprecedented levels of threats and attacks.

43. The Council invites the High Representative, the Commission and all Member States to strengthen EU Climate and Energy Diplomacy as a political priority, through intensified coordination, information exchange and strengthening of the EU Delegations and Member States' embassies, and relevant EU and international networks and working groups. The Council encourages EU and Member States' climate outreach missions and regional initiatives, including joint ones, especially in the run-up to COP 28 and the Global Stocktake. The Council emphasizes the need for increased coordination to respond to misinformation and disinformation campaigns aiming to discredit EU actions. The Council will regularly follow up on joint work to coordinate and enhance the EU's climate and energy diplomatic impact, and invites the High Representative and the Commission to strengthen their capacity dedicated to EU Climate and Energy Diplomacy.

44. The EU and its Member States thank the Government of Egypt for hosting COP27 in Sharm El-Sheikh and look forward to working with the incoming United Arab Emirates COP28 Presidency and all partners towards a successful and ambitious outcome of COP28.

PUBLIC