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# European climate diplomacy at a crossroads: Preliminary conclusions for international cooperation and COP31

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NOTE

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## INTRODUCTION

European climate diplomacy is at a crossroads in the face of two main challenges shaping global efforts: a growing implementation gap between commitments and action and a changing geopolitical context. The new direction of the European diplomatic strategy points towards the need to harness the closer links between climate diplomacy, energy security, industrial competitiveness, trade and investment in a more constructive way. The next step is to translate this strategic direction into clearer choices about where European diplomatic engagement can make the greatest difference.

This *Note* presents the preliminary conclusions of the report *"International climate cooperation at a crossroads: what should the priorities for European diplomacy be?"* for COP31. It draws on the report's cross-cutting analysis and three sectoral case studies—electricity systems, international shipping and steel—without detailing the sector-specific examples. The full report, including the case studies, will be published in early 2027 during Paris Climate Week.

While focused on Europe, this *Note* is intended to inform broader discussions on the future of international climate cooperation and the reform of the climate regime.

## PRELIMINARY CONCLUSIONS

European climate diplomacy intersects strongly with energy security, industrial competitiveness, trade and investment, and is drawing on a broad range of tools. These include bilateral agreements, plurilateral coalitions which shape markets around common approaches and standards, and multilateral processes to advance global rules and ambition. This paper argues that the next step is to translate this strategic direction into deliberate choices, including trade-offs, about where European diplomatic engagement can make the greatest difference.

The three case studies show why a more targeted approach is needed. Although the barriers to decarbonization differ across the sectors analyzed, they share a common feature: progress often depends on coordinated action by a relatively small number of countries and actors, supported by tailored instruments that address specific obstacles to implementation. These challenges cannot be overcome through a single model of international cooperation.

This requires a more deliberate allocation and reorganization of diplomatic resources. First, this means combining strong multilateral frameworks with more selective, problem-driven forms of cooperation. Then, rather than seeking a greater presence across an expanding landscape of plurilateral climate initiatives, EU and UK need to prioritize efforts that address critical bottlenecks, create value in line with their domestic objectives, and focus on cooperation that can deliver outcomes that individual country efforts could not achieve alone. This, in turn, calls for closer alignment between climate diplomatic priorities and the trade, industrial, regulatory and financial instruments within the EU and the UK, as well as better coordination between the EU and its Member States. Finally, it requires greater efforts to identify and pursue opportunities for EU-UK cooperation recognizing their roles as key partners and allies.

### Four priorities for European climate diplomacy

#### 1. Safeguard the existing rules and maintain political direction through multilateralism

Sustained political commitment and a clear direction of travel underpinned by the relevant multilateral instrument, such as the Paris Climate Agreement, remain essential to make progress on implementation .

In the current geopolitical context, the EU and the UK should collaborate with other climate leaders within the

**multilateral system to safeguard the existing climate acquis and the common set of rules, and to use it to signal the overall direction of travel, rather than rely on it as a vehicle for ambition raising**. Despite frustrations, multilateral processes generate political pressure, send long-term signals and establish global norms and alignment, including on transparency and accountability. Maintaining effective multilateral institutions is therefore important to prevent further fragmentation and preserve opportunities for smaller countries to shape global decisions.

European diplomatic efforts should prioritize safeguarding these functions, strengthen coordination between EU institutions, Member States and relevant ministries to identify where the climate acquis is at risk and develop strategic responses to protect it with like-minded allies, including the UK.

### 2. Build coalitions of the "capable" rather than of "the willing"

Addressing sector-specific barriers requires tailored engagement with different countries and actors best placed to tackle the challenge at hand and be able to shape the sectors or markets in line with decarbonization targets and to pursue opportunities in emerging green industries.

These coalitions should be shaped around the problem they seek to solve. **Market-shaping countries should not be identified solely by their economic size or geopolitical weight, but by their influence over relevant global markets, supply chains, technologies, resources, infrastructure or regulatory and policy frameworks.** Depending on the challenge, a country may be important as a major producer or consumer, a potential supplier of low-carbon materials, a provider of technology or finance, or a significant regional player and broker. Smaller countries can have outsized influence through their role in critical supply chains, technologies or resources, even where their overall market share is limited.

The EU and the UK can play an important leadership role by collaborating with the key market-shaping countries. They can build or strengthen coalitions to solve specific problems, bringing together countries whose capabilities are complementary and can collectively address problems that none can or will solve alone.

Among market-shaping countries, China represents a specific case, given its influence across multiple sectors and the implications for industrial competitiveness in Europe and globally. The priority should be to identify areas where cooperation can deliver mutual benefits, even where engagement is politically difficult. Focusing on shared interests and practical areas for cooperation will be essential to manage trade-offs between advancing decarbonization and strengthening industrial competitiveness and minimize any negative impacts.

Finally, domestic policies can have significant impacts beyond national borders, creating both opportunities and additional costs for other countries. Diplomatic engagement and coalitions should aim to strengthen dialogue and build understanding between countries on the overall policy intent , effects on distribution of costs and benefits, and identify needs for policy coordination and complementary approaches.

### 3. Prioritize and invest in the highest value add plurilateral arrangements

The challenge is not a lack of international initiatives but their capacity to deliver, mainly due to gaps in representation, political backing, governance and financial support.

The sectors analyzed in the report, such as steel, shipping and electricity networks, are cross-cutting priorities for European diplomacy but do not represent an exhaustive analysis. In our analysis, we aimed to assess the critical barriers to accelerating decarbonization in a given sector, and also to map the existing plurilateral landscape and identify which initiatives address the most consequential bottlenecks, whether they include the countries and actors needed to make a difference, and where gaps or weaknesses remain. In these and other sectors, European diplomacy should **distinguish between areas where new forms of cooperation are needed and existing initiatives that have the potential to deliver but lack sufficient support. The priority should be to strengthen the governance, political backing, representativity and resources of the latter.**

### 4. Use the COP Action Agenda to catalyze climate plurilateral cooperation

European diplomacy should actively connect progress achieved through various sectoral initiatives to multilateral processes and international standard-setting institutions, help distribute the benefits of green transition and build more inclusive multilateral outcomes.

The Global Climate Action Agenda (GCAA) can help European diplomacy do this, by bridging the objectives of the Paris Agreement and the UNFCCC process with real economy action.

Building on the momentum it has generated, **European diplomacy should use the Action Agenda as a strategic tool for identifying priorities, and as a platform for mobilizing action, tackling barriers and showcasing progress in each sector**. The EU and the UK can use it to determine where diplomatic engagement could make the greatest difference by clarifying specifically where the implementation has stalled and how political support or cooperation can unlock progress. In this way, without creating additional initiatives and duplicating existing processes, the GCAA can serve as a laboratory for identifying and advancing areas of cooperation through stronger plurilateral coalitions and, over time, build into multilateral frameworks as needed.