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Exploring where and how to strengthen EU-LAC cooperation on climate action and the just energy transition: a focus on Colombia and Chile

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Theme

This analysis outlines some of the main areas of cooperation between the EU and Colombia and Chile, respectively, on climate change and the just energy transition. It describes various challenges facing these partnerships and highlights some opportunities to enhance EU cooperation with both countries to boost climate action and advance a just energy transition.

Summary

This paper explores where and how to strengthen cooperation on climate change and the just energy transition between the EU and Colombia and Chile, respectively. The potential is there, as the EU and Latin America and the Caribbean (LAC) arguably represent the strongest bi-regional partnership on climate change. Despite these efforts, there is room to adjust and enhance cooperation. European and LAC leaders need to address fault lines including on the implementation of the European Green Deal and the lack of climate finance, which undermines the task of supporting efforts to limit global warming to 1.5ºC. Global conflicts and a second Trump presidency create further risks and instability, which may distract Europe and LAC countries from implementing their climate commitments. Whether the EU and LAC countries can harness their relationships to try and manage these challenges remains to be seen. What is certain, however, is that both regions need each other to confront the climate crisis and to advance a just energy transition while boosting competitiveness and growth, which are in their mutual interest. To address these issues and offer a more grounded discussion at the national level, a snapshot of Colombia's and Chile's climate and energy transition policies is provided alongside some highlights of the EU's cooperation in both countries. These countries are key partners for the EU at the UN climate change talks to advance the Paris Agreement and for their willingness to put forward ambitious national climate-related policies. The EU works closely with both countries on the climate crisis and their partnerships are crucial for the EU to demonstrate the importance of working with third countries to advance common goals and how this can build confidence globally for greater action. The paper then outlines some challenges facing these partnerships and offers some opportunities to enhance cooperation focusing on the just energy transition.

Analysis

1. Introduction

In 2024 forest fires raged across parts of South America while deadly flooding cascaded through European cities making the alarm bells ring ever louder. Yet whether the international community, including the EU and Latin American and Caribbean (LAC) countries, are willing to really accelerate climate action and just energy transition remains to be seen.

This analysis explores where and how to strengthen cooperation on climate change and the just energy transition between the EU and LAC with a focus on Colombia and Chile.[1] The potential is there. Together, both regions account for 60 countries, making up nearly a third of the 195 parties to the UN Framework Convention on Climate Change and around 15% of global greenhouse gas (GHG) emissions. The EU and LAC arguably represent the strongest bi-regional partnerships on climate change with an impressive portfolio of work in diplomacy, development cooperation, investment and trade.[2] In 2023 the European Commission's President, Ursula von der Leyen, announced that Team Europe had committed over €45 billion through the new Global Gateway Investment Agenda in the LAC region by 2027 to confront profound geopolitical shifts underway with a focus on promoting a green, digital, and fair transition. Launched in 2022, the EU's Global Gateway contributes to reducing the global investment gap covering five main themes: (a) climate and energy; (b) digital; (c) education and research; (d) health; and (e) sustainable transport. Despite these efforts, there is ample room to adjust and enhance cooperation, including ramping up investments in renewable energy and electric mobility, reducing deforestation and developing just transition frameworks, and ensuring workers and communities are not left behind.

This agenda can contribute to strengthening EU-LAC ties, and the EU's relationships with Chile and Colombia in particular, in the face of intensifying geopolitical rivalries, worsening climate change impacts and rising inequalities, among other global challenges. The timing is opportune as Colombia will take over the Pro Tempore Presidency of the Community of Latin American and Caribbean States (CELAC) for the first time in 2025 with the climate crisis and the just energy transition among its likely top priorities. To secure progress at both the IV EU-CELAC Summit of Heads of State and Government to be hosted by Colombia in 2025, and across the EU-LAC relationship more generally, regional leaders will need to address significant fault lines within these agendas (eg, the European Green Deal's Carbon Border Adjustment Mechanism and

[1] This analysis was prepared for a Joint meeting of the Elcano Royal Institute Elcano Working Groups on Energy and Climate and Latin America, respectively, convened on 17 October 2024. It is primarily based on desk-based research and draws on some anonymous interviews conducted during the author's doctoral fieldwork in Colombia in 2024.

[2] Climate change features prominently in EU-CELAC summit declarations and actions plans, and the EU's cooperation and financial support with its partners across LAC. In 2010 Euroclima+ was created as the EU's flagship programme on climate change with Latin America supporting countries with the design and implementation of their Nationally Determined Contributions and Long-Term Strategies. For the latest phase of the programme running until 2027, Caribbean nations are being included and the sectoral focus broadened to include biodiversity and the circular economy. For this new phase, Euroclima+ has received an additional €70 million, plus a further €35 million for the Caribbean.

EU deforestation law) and on other issues (eg, Israel-Gaza, Ukraine and China), which risk holding back the potential of EU-LAC partnerships to contribute as much as possible to efforts to limit global warming to 1.5ºC and secure sustainable and inclusive development.

For example, the European Green Deal (EGD) will profoundly affect the EU's relations with the LAC region. While the EU has increased its interest in the region's natural resources –both fossil fuels and critical raw materials for low-carbon technologies– this may clash with the LAC countries' own interests and plans for reindustrialisation and desire to develop higher value-added sectors beyond exporting raw materials. LAC countries seek greater levels of investment in green sectors but accompanied by the technological know-how and knowledge to spur innovation and the creation of quality jobs. The EU, compared with China and the US, has the potential to be the partner of choice in the LAC region through its 'Team Europe approach', combining the EU and its Members States, development agencies, public development banks, the European Investment Bank (EIB), and the private sector and civil society.

Thus, a key question is whether the EU can bring the LAC region along with it as it strives to implement the EGD, which aims to make Europe climate-neutral by 2050, combined with a renewed industrial commitment set out by the President of the European Commission. The LAC region may have been described by a senior EU official as a geopolitical priority for moving forward the EGD. Yet as the EGD enters its next phase, with other goals being articulated, including a new Clean Industrial Deal for competitive industries and quality jobs, can the EGD be of mutual benefit to the LAC region? And how can the EU-LAC partnership help both regions build net-zero emissions and climate-resilient economies in a fair and inclusive way within the context of the EU's renewed push to enhance its global competitiveness?

Unless concerted efforts are made, the insufficient levels of climate finance for developing countries, the rise of green protectionism and the uneven industrial geography of decarbonisation, could result in the global shift to a low-carbon economy increasing economic disparities between nations and regions. Furthermore, the growing calls for the EU to unlock its geoeconomic[3] power to confront Russia's war in Ukraine and China's economic coercion, need to ensure that the EU's partnerships with LAC countries are not treated as means to protect the EU's interests but rather to be of mutual benefit to both regions. At the same time, global conflicts and raising geopolitical tensions create further risks, instability and a potentially lesser appetite for international cooperation, which may distract Europe and LAC from their climate commitments. Lastly, the electoral victory of President Donald Trump and his decision to abandon the Paris Agreement[4] undermine US domestic decarbonisation efforts and ratchet up the production of fossil fuels and could create further challenges for the EU and LAC to advance efforts to shape a more sustainable and fairer future.

[3] Geoeconomics explores the interplay of economics and geopolitics in trade, technology, finance, infrastructure, energy and the access to critical raw materials.
[4] https://www.whitehouse.gov/briefings-statements/2025/01/president-trumps-america-first-priorities/.

Whether the EU and LAC countries can work together to avoid an increase in economic disparities between the two regions while pushing for greater climate action and attempting to manage geopolitical tensions remains to be seen. What is certain, however, is that both regions need each other to achieve sustainable and inclusive growth and to safeguard multilateralism, and that efforts to decarbonise their economies in a fair way, adapt to worsening climate impacts and boost competitiveness, are very much in their mutual interest.

To try to address these questions and offer a more grounded discussion at the national level, this analysis focuses on the EU's partnerships with Colombia and Chile. The two countries are key partners for the EU as they have often worked closely together at the UN climate talks to advance the Paris Agreement and both are outliers for putting forward ambitious national climate-related policies.[5] The EU has cooperated with both countries on climate issues and they are key actors for the EU to demonstrate the importance of working with third countries and how this can build confidence at the global level for greater climate action. The paper then outlines some of main areas of cooperation between the EU and Colombia and Chile respectively on climate change and the just energy transition. It goes on to discuss some challenges facing these partnerships and offers some opportunities to enhance cooperation, particularly on the just energy transition.

2. Highlights of cooperation between the EU and Colombia on climate change and the just energy transition

2.1. A snapshot of Colombia's climate and just energy transition policies

Colombia faces three interlinked and urgent transitions to build a decarbonised and climate-resilient economy, according to the World Bank. Due to its high vulnerability to climate impacts, it needs to transition from a climate-vulnerable to a more climate-resilient economy. Secondly, it needs to transition to a net zero emissions economy by 2050. Third, as global demand for its primary exports, oil and coal, are set to decrease while demand rises for green products, it will need to transform its economy.

Colombia's economy is highly dependent on fossil fuels. The energy and mining sector accounts for around 7% of GDP, a third of foreign investment, nearly 60% of total exports and over half a million formal jobs. The country accounts for around 0.57% of global GHG emissions. Around 59% of Colombia's GHG emissions come from land-use change and forestry, followed by 30% from the energy sector. The transport sector is the largest energy consumer (44%) and generates around 12% of the country's total GHG emissions. The country has pledged to reduce its greenhouse gas emissions by 51% by 2030 and reach net zero emissions by 2050, both of which are enshrined in its Climate Action Law.

[5] The EU is Colombia's third largest trading partner and the second largest source of foreign direct investment. In the case of Chile, the EU is the country's third largest trading partner and its top source of foreign direct investment.

The Petro Administration's National Development Plan (NDP) 2022-2026 outlines the government's priorities including reducing deforestation and accelerating the penetration of renewable energies and zero- and low-emission vehicles. The government is also aiming to create 20,000 'energy communities' by 2026 so that consumers of energy services generate, market or efficiently use energy generated through renewable energy and fuels, and distributed energy systems. These energy communities are being developed to democratise electricity markets, achieve fair tariffs and lower energy poverty.

As a candidate, President Petro pledged to advance a just energy transition by ending the granting of new licences for oil and gas exploration. As of December 2024 no new licences for oil and gas have been announced. Rather, efforts have been made to review existing contracts to ensure they yield as much as possible. The Petro government has also decided to not proceed with two pilot fracking projects and the exploitation of unconventional deposits. The commitment to not award new licences could be abandoned by the next government as there is currently no adopted policy or law preventing the granting of new licences. Similarly, it is possible that the next government will reactivate the pilot fracking projects.

Over the course of 2023 and 2024 the Petro government developed its Just Energy Transition Roadmap, made up of a package of six documents outlining its strategic goals, scenarios, national dialogues, required investments, opportunities and challenges. The roadmap's aim is to accelerate the transition, which contributes to the economy, promotes industrialisation to gradually replace the country's dependence on fossil fuels and create new sources of employment. In 2023 the Petro Administration also joined the Powering Past Coal Alliance, the Beyond Oil and Gas Alliance, the group of countries seeking to negotiate a Fossil Fuel Non-Proliferation Treaty, and also played an active role at COP28 in Dubai by calling for strong language on the phasing out of fossil fuels. As the first Latin American country and the largest producer of fossil fuels to join the campaign to negotiate a non-proliferation fossil fuel treaty, Colombia has positioned itself as an outlier for its leadership in accelerating a global energy transition.

In October 2024 the government announced the Portfolio for Socioecological Transition, which aims to attract investments of US$40 billion to finance projects in nature tourism, sustainable agriculture, renewable energy, low carbon reindustrialisation, the conservation and restoration of ecosystems, and adaptation to climate change. It is described as a comprehensive roadmap designed to guide the country's structural transformation in line with Colombia's NDC, long-term strategy and the National Development Plan. To date, the UK, Canada, Germany and the EU are supporting the portfolio with coordinating support from the IDB. The Portfolio is a possible model to rethink the Just Energy Transition Partnerships (JETPs),[6] given Colombia's position as the second most biodiverse country in the world and that deforestation is the county's main source of emissions. The portfolio seeks to mobilise a mix of private and public finance and will likely include a combination of loans, grants and concessional finance.

[6] Or Country Platforms, as these types of instruments are sometimes referred to when they include transition initiatives beyond the energy sector.

The challenges include meeting the investment goal, avoiding loans given Colombia's high debt levels and a 'fiscal rule' to limit their use (with the use of debt swaps for instance), and how to phase out coal power plants and mining infrastructure and ensuring support for over 100,000 workers in the coal sector. It is hoped that Colombia will be able to secure US$20 billion by 2030 in areas including energy communities, green hydrogen, offshore wind power, and electric mobility.

Colombia appears to be making progress on its climate and energy transition goals. In 2023 deforestation in Colombia fell by 36% with the Colombian government reporting that the amount of forest loss fell from 1,235 km^2 in 2022 to 792 km^2 last year. In October 2024 the director of Colombia's Mining and Energy Planning Unit (UPME in Spanish), Adrián Correa, shared a map of multiple approved projects (mostly wind and solar) on LinkedIn, which, if fully completed, would come online between 2024 and 2032 and add almost 20 GW of capacity, which would double the installed capacity of the country. As a sign of confidence in Colombia's energy transition, Italy's Ene announced in October 2024 that it would invest US$2 billion in the country over the next three years to upgrade distribution grids and expand solar power. Lastly, the World Economic Forum's Energy Transition Index for 2024, which benchmarks 120 countries on their current energy system performance and on the readiness of their enabling environment, moved Colombia up to 35th position compared with 39th in 2023 and 41st in 2021.

2.2. Highlights of EU-Colombian cooperation on climate change and the just energy transition

In recent decades, the EU and its Member States have been a key partner for Colombia across multiple issues including peace building, development, climate action and the just energy transition. The EU and Colombia have also worked closely together at the UN climate talks especially on the negotiations to secure the adoption of the Paris Agreement. The EU's support has been key in promoting the climate and energy transition agendas, especially the promotion of sustainability policies, climate finance and technical assistance.

In February 2022 the EU and Colombia signed a Joint Declaration on Environment, Climate Action and Sustainable Development that focuses on shared priorities, including climate action, biodiversity and ecosystems conservation, disaster risk reduction, reducing deforestation, circular economy, sustainable blue economy and plastic pollution. The EU is also supporting Colombia in its move towards a sustainable and inclusive development in line with the Global Gateway Strategy. The three main areas of the Global Gateway Investment Agenda in Colombia are connectivity and digitalisation, climate and energy, and transport. The EU is supporting Colombia with the development of a taxonomy for economic activities considered environmentally sustainable and access to finance via the Global Green Bonds Initiative.

The EU is also supporting wastewater management, the development of green hydrogen production and renewable energy and nature-based solutions for climate change adaptation. On transport, the EU is supporting the Bogotá metro line 2 extension and the installation of an electric bus manufacturing plant in Colombia. To complement these investments, the EU and Colombia also cooperate on improving the policy, regulatory and business environment, developing skills, fostering innovation and transfer technology. Colombia participates in various regional programmes, including Euroclima+ (climate change, circular economy and biodiversity) and AL-INVEST Verde (supporting enterprises for sustainable growth and job creation).

At the COP27 in 2022 the European Investment Bank and Colombia signed a joint Declaration of Intent between the Ministry of Mines and Energy and the EIB to support the just energy transition in Colombia. In October 2024 the European Investment Bank (EIB), in partnership with Enel and SACE, the Italian Export Credit Agency, provided the Enel Group subsidiary, Enel Colombia, a loan of US$300 million to finance the development of power grids, renewable energy generation and e-mobility in Colombia.

3. Highlights of cooperation between the EU and Chile on climate change and the just energy transition

3.1. A snapshot of Chile's climate and just energy transition policies

Chile's share of global greenhouse gas emissions was approximately 0.25% in 2016. The energy sector accounts for around 78% of total emissions primarily due to the use of coal for electricity generation and diesel for ground transport. The land use, land-use change and forestry (LULUCF) sector is the only one absorbing GHG in the country.

Chile announced its second NDC in April 2020 and its Long-Term Strategy to reach carbon neutrality by 2050 the following year. The updated NDC commits to unconditional absolute emission reductions with a goal of 95 $MtCO_2eq$ by 2030, an emissions peak in 2025, and a GHG emissions budget of no more than 1,100 $MtCO_2eq$ in the period 2020-30. The NDC is considered innovative for including a social pillar that brings together mitigation, adaptation and integration commitments focusing on a just transition and the SDGs. The NDC also integrates climate and clean air policies and commits to reduce total black carbon emissions by at least 25% by 2030. Chile's NDC also incorporates a new integration component encompassing the role of oceans, circular economy, forests, peat bogs and ecosystems, given their contribution to both the causes and the impacts of climate change.

In 2022 Chile approved a Climate Change Framework Law that enshrined the NDC and carbon neutrality targets into law. The law includes instruments that are intertwined with global commitments to ensure they are updated when Chile revises its NDC and increases its ambition. In a major shift, climate action is now the responsibility of 17 national ministries –not just the Environment Ministry– as well as local governments and the private sector. The law also created the Council of Ministers for Sustainability and Climate Change to review climate policies, the Scientific Advisory Committee of independent experts to advise on policy, and the National Council for Sustainability and Climate Change to facilitate public participation and accountability.

In relation to the energy sector, the law includes the following goals: by 2025, 65% of the coal units will be retired or reconverted; by 2030, 80% of the electricity produced in the country must be renewable; and by 2050, 100% of the electricity produced must come from zero emissions sources. This builds on impressive progress in recent years to shift away from coal power generation. In 2018 the former Chilean President, Michelle Bachelet, announced that the country would phase out coal power generation and pledged not to continue building coal-fired power plants unless they have carbon capture and storage technology. In 2019 Chile announced that it would work with private sector actors to gradually shut down all 28 plants by 2040.[7] Eight plants were shut down between June 2019 and July 2023, a further seven were scheduled for closure by 2025, and five others were selected for possible conversion to fossil gas. In the case of the remaining eight, no dates have yet been set for their closure, other than 2040. This progress reflects in part the strong growth of wind and solar power.

According to an update by Climate Action Tracker from October 2024, Chile has made progress on its climate goals demonstrated by the rapid roll out of renewables and the coal phase-out plan proceeding faster than anticipated. Chile has also finalised its National Mining Policy 2050, which includes a target for the industry sector to reach carbon neutrality by 2040. Chile has also published new sectoral strategies to guide its short-term climate plans such as the Ministry of Energy's Decarbonisation Plan, the Roadmap for the Advancement of Electromobility and the Green Hydrogen Action Plan 2023-30. Lastly, Chile has outlined its measures for promoting green hydrogen and becoming a top exporter by 2040.

3.2. Highlights of EU-Chilean cooperation on climate change and the just energy transitions

The EU and Chile have a close partnership on multiple issues including climate change and the just energy transition. At the UN climate change talks, the EU and Chile have worked together to advance more ambitious positions particularly on the negotiations to adopt the Paris Agreement and more recently on the discussions around loss and damage during COP27 in 2022. The EU also imports around 80% of its lithium from Chile.

As regards trade, in December 2023 the EU and Chile signed an Advanced Framework Agreement and an Interim Trade Agreement to strengthen political cooperation and foster trade and investment. The agreements facilitate cooperation between the EU and Chile and include the de-risking of supply chains, the securing sustainable supply of critical raw materials and addressing climate change. The Advanced Framework Agreement contains joint commitments to sustainable mining and the environmental impact assessment of energy and raw materials projects, and research and innovation in green energy and sustainable raw materials.

The EU is also supporting Chile to develop green hydrogen via the Team Europe Initiative (TEI) on the development of Green Hydrogen in Chile. It aims to contribute to Chile's national hydrogen strategy, to create green jobs and generate business opportunities for Chilean and European companies. In this framework, the Global Gateway Renewable Hydrogen Fund for Chile was created, which is a joint initiative by

[7] Three of the four owners of these coal facilities were foreign companies including Enel (Italy), AES Andes (US) and Engie (France).

the European Commission, the European Investment Bank (EIB) and Germany's KfW Development Bank (KfW), to promote the green hydrogen market in Chile. The aim of the Fund is to support the Chilean government in promoting a green hydrogen economy to allow both the local use and the export of renewable hydrogen. In July 2023 the EIB approved a €100 million loan to support these efforts.

Also, in July 2023 the EU and Chile signed a Memorandum of Understanding (MoU) on establishing a partnership between the EU and Chile on sustainable raw materials value chains to deepen cooperation. It also aims to develop a competitive and sustainable industry for processing raw materials and local value added in the mining sector, creating quality employment and sustainable and inclusive economic growth, to benefit both parties.

4. Overview of the main challenges and opportunities to enhance cooperation between the EU and Colombia and Chile on climate change and the just energy transition

This section is split into two parts. First, six challenges facing cooperation and the EU-LAC relationship are more broadly are outlined. These challenges include the risks posed by a second Trump Administration and ongoing global conflicts and crises. It also considers the challenges to implementing the EU's decarbonisation and competitiveness agenda and bringing partners on board without losing credibility at home. There are also challenges related to the roll out of the Global Gateway strategy and coordination issues between EU institutions, Member States, European business and LAC countries. Lastly, the paper considers the limitations of EU influence in the face of difficult domestic circumstances in LAC countries.[8] Secondly, various opportunities are considered on how to enhance cooperation between the EU with Colombia and Chile on climate change and the just energy transition.

4.1. A second Trump presidency

The electoral victory of President Trump and his decision to leave the Paris Agreement undermine domestic decarbonisation efforts, ratchet up the production of fossil fuels and place climate denialists and sceptics in top positions in the federal government present immense challenges for global climate action. As the largest historical emitter and one of the top providers of climate finance,[9] the US departure from the Paris Agreement could undermine the global process to present NDCs aligned with the 1.5ºC goal by 2025, reduce overall levels of climate finance and dampen enthusiasm from developed countries to provide more finance to fill the gap. President Trump's interest in weakening the Biden Administration's environmental and climate legislation, policies and regulations

[8] Other important challenges to consider: the spread of climate disinformation and misinformation; continued threats and violence towards environment defenders in the LAC region; an increase in right-wing politicians in the EU which could undermine the bloc's EGD and push for cuts to spending on these areas in third countries; the threat of cheaper Chinese EVs penetrating LAC vehicle markets at the expense of European car manufacturers; efforts to develop hydrogen may be underestimating the likely high costs; and insufficient discussion of the risks of stranded assets and carbon lock in.

[9] In 2023 the US contributed US$9.5 billion in public climate finance whereas in that year, the EU and its 27 member states contributed €28.6 billion in climate finance from public sources and mobilised an additional amount of €7.2 billion of private finance.

while embracing the opportunity to further increase fossil fuel production could damage national emission reduction efforts and potentially undermine enthusiasm in the LAC region to back a clean energy transition. President Trump and his allies are reported to have been developing a plan to dismantle the legal and scientific foundations of the federal government's authority to regulate the environment. They are keen to invalidate a conclusion by the Environmental Protection Agency from the Obama Administration that carbon dioxide emissions harm human health, which forms the basis for climate regulations. While subject to numerous uncertainties, analysis by Carbon Brief, argues that a future Trump Administration could lead to an additional 4 billion tonnes of US emissions by 2030 compared with the Biden Administration's plans. These extra 4 billion tonnes of carbon dioxide equivalent ($GtCO_2e$) by 2030 would negate –twice over– all of the savings from deploying wind, solar and other clean technologies around the world over the past five years. In this scenario, the US would also very likely fail to reduce its emissions under its Biden era pledge of a 50%-52% reduction by 2030 and only achieve reductions of 28% below 2005 levels by the end of this decade, which would effectively ruin any chance of limiting global warming to 1.5ºC unless other countries significantly increase their ambition, which is unlikely at present. One of the architects of the Paris Agreement, Laurence Tubiana, argues that while Trump's return is a setback, there is strong economic momentum driving the global transition and it is unlikely that other countries will follow the US's withdrawal from the Paris Agreement. She suggests that now is the time for Europe to strengthen its global leadership and that the transition to net zero is critical to Europe's energy security and economic competitiveness.

4.2. Global conflicts and crises

From the conflicts in the Middle East, Ukraine and Sudan to the crises and violence in Venezuela and Haiti, the international community's inability to cooperate to resolve them in the face of staunch geopolitical rivalries and competing world views is deeply troubling.[10] The repercussions of COP30 remain to be seen but the outlook is challenging when conflict appears to be trumping global cooperation. The fractious and ill-tempered negotiations and modest results from COP29 in Azerbaijan in November 2024 demonstrate the volatile context for advancing climate action. One concerning way in how the toxicity of these conflicts has seeped into the climate and energy transition agendas, with accusations by some in the Global South against certain Western nations' hypocrisy regarding resisting efforts to ramp up climate finance while spending billions on arms for Ukraine or seemingly giving Israel a free pass to attack Gaza and Lebanon while decrying Russian attacks on civilians in Ukraine. The next Trump Administration is likely going to further complicate these issues. The EU may view Russia's invasion of Ukraine as an existential threat. Yet to some countries in the Global South concerned with deep-seated poverty and inequality and additional food and energy challenges exacerbated by the war, there is an expectation that the EU will remain committed to an open and rules-based global economy rather than adopting a fortress mentality. Finally, the EU will need to remember that it cannot take Colombia or Chile for granted as both are pursuing more independent foreign policies. Colombia, under President Petro, is

[10] Notle (2023) points out that while the EU's attempts to secure its strategic autonomy, LAC countries are repositioning themselves in international politics.

developing closer ties to China, has severed diplomatic ties with Israel over Gaza and has expressed an interest in joining the BRICS bloc. Meanwhile, in Chile, President Gabriel Boric favours a foreign policy based on 'political autonomy', which means pursuing commercial and diplomatic opportunities with China, the US, the EU and others such as India.

4.3. Implementing the EU's decarbonisation and competitiveness agenda and bringing partners on board without losing credibility at home

A major challenge for the new European Commission and EU Members States is getting on track to implement the European Green Deal and related policies and avoiding further delays and watering down policies. The EU must show that decarbonisation can advance hand in hand with promoting growth and living standards without leaving people behind. As Mario Draghi, the former President of the European Central Bank argues, Europe needs to combine decarbonisation with competitiveness to ensure the opportunities for growth are realised while climate targets are met. For example, a reform of Europe's energy market that can lead to more clean energy and cheaper bills for end-users is urgently required. Furthermore, the EU needs to better explain its broad and wide-ranging agenda to LAC countries while helping to limit the impacts of the EGD and Clean Industrial Pact in partner countries. Resistance and pushback from LAC countries and calls of neo-colonialism and protectionism need to be approached cautiously. The EU must do a better job in communicating its agenda while listening more to concerns that it appears to be punishing third countries who have less responsibility for the climate crisis and that it is using the goal of climate action to shield its economy from growing threats from China, which could adversely affect LAC countries. For example, EU diplomacy faces the challenge of presenting its Carbon Border Adjustment Mechanism (CBAM) as a decarbonisation incentive for countries that want to join a climate club whose members apply carbon pricing mechanisms. This means compensating the negative impacts of CBAM, including in LAC countries, which would go some way to mitigate allegations of climate protectionism. The LAC region's relatively clean power matrix compared to other regions could be an asset in the context of CBAM. The EU will need to adeptly navigate its decarbonisation, energy security and competitiveness priorities particularly in the context of its relationship with China but also with other countries. The EU will likely continue to come under pressure from developing countries, which balk at its 'unilateral restrictive trade measures', including the deforestation law and CBAM.

4.4. Difficulties with the roll out of the Global Gateway

Following the somewhat abrupt arrival of Global Gateway in Latin America, which took some local EU and Member State diplomats by surprise, there is a need to get past some initial resistance and maximise the impact of this strategy. For instance, in Colombia, Global Gateway has a potential head start as various European energy companies (eg, Enel, EDF and Engie) are already there. A successful implementation is essential to support Colombia and other LAC countries' sustainable development goals while also increasing the visibility of the EU's work and translating it into influence on geopolitical issues. To date, this visibility and influence have been lacking with the EU 'feeling the pinch' vis-à-vis China and the Belt and Road Initiative particularly. There is also a sense that the EU's strict guidelines for support may not reflect the needs of LAC countries and that civil society is not sufficiently involved. Concerns have also been raised about the lack of clear institutional procedures for proposing, formulating and implementing projects that will eventually be part of the Global Gateway, which leads in turn to confusion surrounding specific mechanisms for deploying resources.

4.5. Coordination issues between EU institutions, Member States, European business and LAC countries

The 'coordination issue is just impossible' and 'we're part of the problem', a European official told the author in Bogotá. In Colombia, and other LAC countries, the number of actors seeking to support national and local governments and non-state actors is remarkable. Despite attempts to improve coordination, the effectiveness of these efforts to better align agendas and actions between these external actors and the government is an ongoing challenge due to various reasons including differing interests, a lack of incentives and distinct bureaucracies. In the case of Colombia, the *Grupo de Cooperantes Internacionales en Colombia* (GRUC) has various subgroups, including on the energy transition, which aims to strengthen coordination of international cooperation. At the time of writing, this subgroup is led by Denmark and Germany as co-presidents with the IDB acting as the secretariat. While efforts are made to coordinate effectively, there are inevitably challenges since there are 17 members in the group (bilateral actors and inter-governmental organisations). Moreover, there is also a lack of coordination between EU Member States' development agencies and European private sector actors. While Member States promote their own companies up to a point, the heads of cooperation agencies are not necessarily well acquainted with private sector actors from their countries, which points to a lack of coherence between development aims and business interests. Time is especially tight in Colombia for European actors to demonstrate the effectiveness of their support as President Petro has well under two years left in office. This leaves little time for the government to capitalise on existing support and leverage further support to advance its vision for a just energy transition. At the same time, opposition politicians are promoting fracking, which raises the possibility that Colombia's current vision for a just energy transition may be severely scaled back.[11]

4.6. Limits to the EU's influence in the face of challenging domestic circumstances

The EU, alongside other external actors, faces challenging domestic circumstances to advancing its climate action and energy transition agenda. The Colombian context reflects the limits of the influence of the EU on this agenda for three related reasons. First, the plethora of actors attempting to support the Colombian government has raised concerns that the government lacks capacity to accept and use all the support on offer. There is some frustration on the part of external actors that they are making climate finance available, yet the funds are not necessarily being used. There is also a lack of adequate infrastructure and stifling regulatory barriers that limit foreign investment.

[11] If a conservative candidate wins the presidential elections in 2026, it is possible they will attempt to further boost fossil fuel production through a new round of licenses and the resumption of two pilot fracking projects. There are already efforts being made to build political support for these steps. For instance, there is currently a pro-fracking draft bill in Colombia's National Congress.

Secondly, the difficult relationship between the Petro Administration and Colombian fossil fuel actors has undermined efforts to build consensus and partnerships to advance the energy transition. Lastly, various Colombian politicians, journalists, academics and others have made efforts to discredit the government's just energy transition agenda and make the case for fracking and ramping up further fossil fuel exploration and production without appearing to consider the risks of stranded assets, carbon lock-in or the impressive growth of the global market for clean energy technologies.[12] With European governments under pressure from domestic groups to justify foreign aid and the possibility that Colombia's energy transition is under threat from pro-fossil fuel actors, there will be tough questions being asked about whether continuing to commit European resources to the country is justified.

Despite these challenges, there are opportunities which have the potential to support efforts to enhance EU cooperation with Colombia and Chile respectively on climate action and the just energy transition.

4.7. Creating a dialogue for the EU and LAC to discuss how to phase out fossil fuels

The impressive growth in low carbon technologies must continue but is insufficient to avert climate catastrophe. Additionally, the world needs to substantially curtail the burning of existing fossil fuels and leave most unextracted reserves underground to comply with the carbon budget for a 50:50 chance of not exceeding the 1.5°C limit. There can be no exceptions with all nations needing to rapidly and fairly phase out existing production given there is no capacity in the carbon budget for new fossil fuel projects. Encouragingly, there are various countries, such as Denmark, Costa Rica, France, Ireland, Chile, Colombia and Ecuador that are taking various steps through so called supply-side climate policies that seek to limit fossil fuel production and ensure that reserves remain in the ground. For instance, in 2002 Costa Rica implemented a moratorium on oil exploration and extraction and, more recently, Ecuador held a national referendum on whether to exploit the oil wealth found under in the Yasuní national park, with 60% of the population voting to protect it. Creating an EU-LAC dialogue with governments, civil society, industry, businesses and academics on these experiences and policies could potentially spark ideas on how both regions can learn from and support each other. Crucially, any bi-regional dialogue will need to be grounded on principles of equity as the required speed of fossil fuel phase out differs between both regions. A just energy transition will require the wealthiest group of fossil fuel producing nations in Europe and elsewhere with the highest capacity to act to completely phase out all oil and gas production by 2034 and for middle-income countries including many in the LAC region to achieve zero-production by 2043. Moreover, while LAC countries would have longer to phase out fossil fuel production, they are likely to be hit by the loss of revenue and related social and economic instability especially in producing areas. As a result, the EU will need to increase financial support to these nations and others to support a just energy transition while building resilience to worsening climate impacts.

[12] The International Energy Agency says that the global market value for the clean energy technologies including solar PV, wind, electric vehicles, batteries, electrolysers and heat pumps is set to rise from US$700 billion in 2023 to more than US$2 trillion by 2035.

Lastly, a frank discussion about existing fossil fuel-related investment and trade ties between both regions is required to ensure they cease to undermine the extensive cooperation efforts on climate change and are brought in line with the Paris Agreement. This dialogue could feed into initiatives such as the Beyond Oil and Gas Alliance (BOGA) and the Powering Past Coal Alliance, where some European and LAC countries participate.

4.8. Leveraging Global Gateway and the Team Europe approach to support Colombia and Chile's flagship climate and energy policies

The EU could leverage Global Gateway to help Colombia to implement its Just Energy Transition Road Map and leverage investments for its Portfolio for Socioecological Transition and to help Chile to phase out coal power plants, support workers and avoid increasing its reliance on fossil gas. In the case of Colombia, the EU can support it with its Portfolio for Socioecological Transition to secure investment. Given the limited enthusiasm around the first round of Just Energy Transition Partnerships (JETPs) in the Global South, the EU can show that it is doing more to listen and respond to the demands and needs of developing countries. The EU can support Colombia secure its JET goals through areas including support for an economic transition in fossil fuel producing departments, training in new skills and entrepreneurship programmes for workers in the mining-energy sector, implementation of energy communities, support for exiting coal and gas-fired power plants, and organising business conferences for Colombian and European companies that want to invest in low-carbon technologies in Colombia. This could bring many co-benefits, especially reducing pollution, electricity costs and supporting Colombia to achieve its NDC and LTS targets.

4.9. Prioritising improving coordination and enhancing synergies between external actors and existing initiatives

With 2030 rapidly approaching and presidential elections looming in Chile in 2025 and Colombia in 2026, respectively, EU institutions and Members States, alongside other partners including the UK and the IDB, need to prioritise improving coordination and enhancing synergies between each other. In both South American countries there is a chance that right-wing politicians could win, potentially putting climate and energy transition commitments at risk. Therefore, the EU and its partners need to advance existing initiatives to ensure as much progress as possible and to protect significant resources committed to supporting these efforts. In addition, the EU and LAC countries can continue to strengthen their collaboration with the World Bank, the IDB and IMF and to push for reforms that enable the global financial system to better respond to the massive challenges posed by climate change, but also to capitalise on the opportunities from decarbonisation and building resilience.

4.10. Capitalising on positive working relationships between key players

In global climate diplomacy, good working relationships are invaluable as is ensuring certain people are in the same room at key moments. These relationships need to be leveraged to advance mutual goals and drive greater action. For example, Teresa Ribera, Executive Vice-President for a Clean, Just and Competitive Transition and

Colombia's Minister of Environment and Sustainable Development, Susana Muhamad, worked closely together at COP28 in Dubai in 2023 in the attempt to secure strong language on phasing out fossil fuels. Chile's Minister for the Environment, Maisa Rojas, and State Secretary and Special Envoy for International Climate Action at the Foreign Office of Germany, Jennifer Morgan, also worked closely together as co-facilitators of the discussion around loss and damage during COP27 in 2022. The former Minister for Climate, Energy and Utilities of Denmark, Dan Jørgensen, who is Commissioner for Energy and Housing, has also worked closely with fellow ministers in Colombia, Chile and Costa Rica as the co-chair of the Beyond Oil and Gas Alliance (BOGA).

4.11. Making the most of key events

There are various key events to improve dialogue, build political momentum and enhance partnerships. In 2025 there is the Fourth International Conference on Financing for Development in Spain (30 June-3 July), the UN Ocean Conference hosted by Costa Rica and France in Nice (June), the IV EU-CELAC Summit in Colombia (date TBC), COP30in Brazil (10-21 November) and the G20 to be hosted by South Africa in Johannesburg in November, which will focus on mobilising climate finance and extending debt relief for developing countries. The EU-CELAC Summit to be hosted by Colombia and the lead up events convening foreign ministers, business actors and others, provide an excellent opportunity for the EU and LAC countries to show how their partnerships are becoming aligned with the goals of the Paris Agreement. Keys areas for the Summit include boosting efforts and investment for inter-regional connectivity to take advantage of LAC countries' renewable energy resources; nature-based solutions for mitigation and adaptation; just energy transition partnerships; and how to develop EU-LAC supply chains for low-carbon technologies and critical raw materials.[13] COP30 is critical on various levels. First, countries must put forward new NDCs for 2035 aligned with the 1.5ºC limit. Secondly, the EU and LAC countries, which tend to prefer a rules-based international order underpinned by the UN and multilateralism, must fight to demonstrate that the Paris Agreement can work in the face of worsening geopolitical tensions. Third, the EU and its LAC allies will need to think creatively about new collaborations and alliances with other developing and developed countries, including China and South Africa, before and during COP30, to ensure the outcome is as ambitious and fair as possible. At the G20 in Johannesburg, the EU, alongside European G20 members, Germany, Italy, France and the UK can work with Brazil as COP30 president, and Mexico, on advancing climate action and a just energy transition, which carries potential opportunities for enhancing bolstering green markets, trade and investment.

[13] Mauricio Cabrera Leal, Deputy Minister of Policy and Regulation at Colombia's Ministry of Environment and Sustainable Development wrote in December 2024 that Colombia has called for a binding international agreement to ensure traceability, transparency, and accountability across the entire minerals value chain to be presented at COP30 to reduce the threat of mining to biodiversity and vulnerable populations. Given the EU's interest in securing access to critical raw materials and its commitment to explore mutually beneficial partnerships, the EU and Colombia could discuss this proposal in the context of the EU-CELAC Summit and on the way to COP30.

Conclusions

The various challenges, not least the geopolitical headwinds and a second Trump Administration, could undermine EU-LAC efforts to confront the climate and ecological crisis. As arguably the strongest bi-regional partnership on climate action, the EU and the LAC can build on these existing efforts to enhance their cooperation. This can support sustainable and inclusive development goals but also demonstrate that the Paris Agreement and multilateralism can work and build confidence at the global level for greater action. However, to stand a chance of achieving these outcomes, the EU will need to demonstrate to LAC countries that it is not only interested in deepening ties to protect its own interests and values but also that it respects the sovereign desires of its partners in the region. Moreover, the EU will need to do more to support countries affected by the global energy transition and its own policies, such as the Carbon Border Adjustment Mechanism (CBAM).

In an increasingly fragmented world, the EU can opt for a strategy that emphasises interdependence with key partners in the region and elsewhere rather than autonomy and decoupling, which risks alienating others. The EU can advance this agenda with Colombia and Chile, which are ideal partners to advance these goals given their existing cooperation with the EU and their willingness to put forward ambitious climate-related policies.

The opportunities outlined above, including the creation of an EU-LAC dialogue on fossil fuel phase out, leveraging Global Gateway and the Team Europe approach to support Colombia's and Chile's flagship policies, improving coordination and synergies between external actors and existing initiatives, capitalising on positive working relationships between key EU and LAC leaders and making the most of key events in 2025, could go some way to confront these challenges and ensure progress towards achieving prosperous net zero and climate-resilient economies.