



AUGUST 2024

Who decides? Upgrading the EU's architecture for green energy diplomacy

The EU wants to avoid unwarranted dependencies on petrostates, play its part in selling green technologies, and mitigate climate change. As a result, in the past years, it has shifted its energy diplomacy from merely securing oil and gas supply towards diversification and support for energy transitions in third countries. As a consequence, the range of actors and formats of decision making has broadened, making coordination more challenging, with the limited EU competence in the field of energy posing an additional constraint. This policy brief discusses the EU's capacities to decide, with a focus on the Council, Commission and EEAS. Findings are that the Commission and EEAS need to create more capacity for strategic discussions in the Energy Diplomacy Group and Working Party on Energy and in follow-up of agreements with third parties. In addition, there is a need to better connect green energy diplomacy to climate finance and general diplomatic relations with third countries in order to increase its effectiveness. Finally, member states need to share more information on bilateral energy activities. The EU has a great interest in stepping up its green energy diplomacy engagements and now must turn ambitions into reality.

Introduction

Traditionally, European Union (EU) energy diplomacy centred on managing relationships with fossil fuel-producing countries to secure access to oil and gas supplies. However, the EU's commitment to the Paris Agreement, the launch of the Green Deal in 2019, and emerging international competition over green technologies, marked the beginning of a shift

towards green energy diplomacy.¹ Catalysed by the Russian invasion of Ukraine and the following energy crisis, its External Energy Engagement Strategy and REPowerEU make the EU not only committed to reducing fossil

1 Louise van Schaik, Giulia Cretti and Akash Ramnath, "[Turning EU green energy diplomacy into reality](#)", Clingendael Institute, 15 December 2021; Maria Pastukhova, "[EU's energy diplomacy: time to pick up the global act](#)", E3G, 21 October 2022; Szymon Kardas, "[From crisis to climate: Europe's energy diplomacy after two years of war in Ukraine](#)", European Council on Foreign Relations, 4 April 2024.

fuel dependencies on Russia, but also to establishing sustainable energy partnerships and promoting a global green energy transition.² The need for diversification and the acceleration of decarbonisation efforts have reshaped EU energy policy and diplomacy. In the most recent Political Guidelines for the Commission 2024-2029, Commission President Ursula von der Leyen confirmed the EU's commitment to green energy diplomacy.³

Under the Treaty on the Functioning of the European Union (TFEU), EU energy policy is a shared competence between the EU and its member states.⁴ Targets are set at EU level but energy policy decisions, notably the choice of energy mix and structure of supply, are national prerogatives. Yet, with the 2022 energy crisis, security of supply became pressing and intensified calls for more integrated EU energy policy and diplomacy.⁵ As a result, the Commission has expanded its external engagement capacities and concluded energy deals on behalf of the EU.⁶ In addition, discussions on energy security and industrial competitiveness became increasingly prevalent, leading to calls for greater European coordination of energy purchases from abroad. Despite the emphasis on joint action by the REPowerEU strategy, the vast majority of diversification efforts have been undertaken by member states alone through bilateral agreements.⁷

While there is a growing appetite to push for cross-national projects, it remains difficult to reconcile the often-conflicting interests of member states to develop a common approach to EU green energy policy and diplomacy. Whereas Germany and the Netherlands are rapidly developing green hydrogen partnerships, France is advocating for a nuclear renaissance. Two informal blocs – the pro-renewables group and the pro-nuclear alliance – are waging a quiet struggle over wording such as clean or green.⁸ Furthermore, capacity is lacking within EU institutions and delegations, and while energy diplomacy became linked to the Council Conclusions on Climate Diplomacy⁹ there is hardly a link with the EU's climate finance efforts or its new climate stick, the Carbon Border Adjustment Mechanism (CBAM).¹⁰

With a new European Commission (EC), including a new High Representative/Vice President (HR/VP) entering office and EU reform gradually on the agenda, this policy brief looks into the coordination of decisions taken in Brussels. It aims to unravel the EU's architecture for green energy diplomacy and to discuss how it can be made more fit for purpose. For this policy brief, the authors conducted a series of expert interviews with officials and representatives from EU institutions and EU member states. The interviews are supported by desk research.

The EU's institutional set-up for energy diplomacy

Within the Commission, European External Action Service (EEAS) and Council of the European Union (Council), there are a variety of

2 European Commission, "[EU external energy engagement in a changing world](#)", 18 May 2022.

European Commission, "[REPowerEU](#)", 26 accessed June 2024.

3 European Commission, "[Statement at the European Parliament Plenary by President Ursula von der Leyen, candidate for a second mandate 2024-2029](#)", 18 July 2024.

4 EUR-LEX, "[Consolidated version of the Treaty on the Functioning of the European Union, Article 194](#)", accessed 16 July 2024.

5 Jean Pisani-Ferry, Simone Tagliapietra and Georg Zachmann, "[A new governance framework to safeguard the European Green Deal](#)", Bruegel, 6 September 2023.

6 ECFR, "[Energy Deals Tracker](#)", November 2022.

7 Sarah Lokenberg, Giulia Cretti and Louise van Schaik, "[A Tale of Two Dependencies: European Strategic Autonomy in the Field of Energy](#)", European Foreign Affairs Review 28, no.4 (2023).

8 Annita Elissaiou, Frédéric Simon, Kira Taylor, Nikolaus J. Kurmayer and Paul Messad, "[Nuclear vs renewables: Dialogue of the deaf continues in Brussels](#)", Euractiv, 26 July 2023.

9 Council of the EU, "[Council adopts conclusions on climate and energy diplomacy](#)", 25 January 2021.

10 Felix Schenuit and Oliver Geden, "[The Next Phase of European Climate Policy: Laying the Groundwork with the 2040 Target](#)", Stiftung Wissenschaft und Politik, 8 April 2024.; Louise van Schaik and Giulia Cretti, "[The EU needs to get its green energy diplomacy straight to avoid backlash](#)", The Parliament Magazine, 5 July 2023.

groups, formats and actors involved in shaping green energy diplomacy.

European Commission

Proposals for European regulations and directives are tabled by the EC, allowing them to plot the course for EU green energy diplomacy. For foreign policies, it cooperates closely with the EEAS. Within the EC, energy-related tasks are under the responsibilities of different Directorate-Generals (DGs). While there are many DGs involved in energy-related issues, such as Climate Action (CLIMA), Environment (ENV), International Partnerships (INTPA), European Neighbourhood and Enlargement Negotiations (NEAR), and Competition (COMP), it is primarily DG Energy (ENER) that takes the lead in shaping energy policy and by extension its external dimension. For example, the EU's External Energy Engagement Strategy has been jointly drafted by the International Unit of DG ENER and the EEAS.

DG ENER is the main body responsible for developing and implementing the EU's energy policy. Key priorities include ensuring secure, sustainable and competitively priced energy for Europe.¹¹ DG ENER regularly organises energy dialogues with countries such as the United States (US), Brazil, India, Japan and China, but capacity is lacking to extend this to other countries.

When DG ENER formulates and proposes a Memorandum of Understanding (MoU), political discussions are undertaken in the Council, while technical feedback is provided by a range of actors, such as the Working Party on Energy (WPE). For MoUs involving new partnerships with third countries, DG ENER jointly drafts the text with the EU Delegation in the respective country. Frequently, the EU Delegation liaises with various delegations from (typically influential) member states to test the waters of an upcoming MoU in view of the Council negotiations.

For green hydrogen, the EU has signed a variety of MoUs, launched Team Europe Initiatives (TEI), and invested in the green hydrogen sector in third

countries with no TEI or Partnership. In addition, it has initiated a project with the Gulf Cooperation Council (GCC) to explore hydrogen cooperation.¹² See Figure 1 for a geographical overview of EU engagement in green hydrogen with third countries. In line with this recent emphasis on green hydrogen, DG ENER has created the so-called 'priority list' with criteria for concluding new green hydrogen partnerships with third countries. However, this priority list has not yet been used properly as politics often outpaces policy.

In fact, several challenges hamper the effectiveness of EU energy diplomacy. As most of DG ENER's time and capacity is spent on drafting and negotiating MoUs, too little attention is paid to implementation and follow-up. An additional barrier to the follow-up of MoUs is a lack of financial resources to fund large projects and provide adequate technical assistance. Moreover, as energy remains a national competence, member states additionally sign bilateral MoUs with third countries to advance their interests and bolster their industries. There is a growing understanding that, at the least, support for the infrastructures needed for the energy transition should be coordinated at EU level, as is undertaken within the EU through the Important Project of Common European Interest (IPCEI).¹³ Another problem is the lack of synergy with bilateral deals of EU member states that are often not even shared with DG ENER.

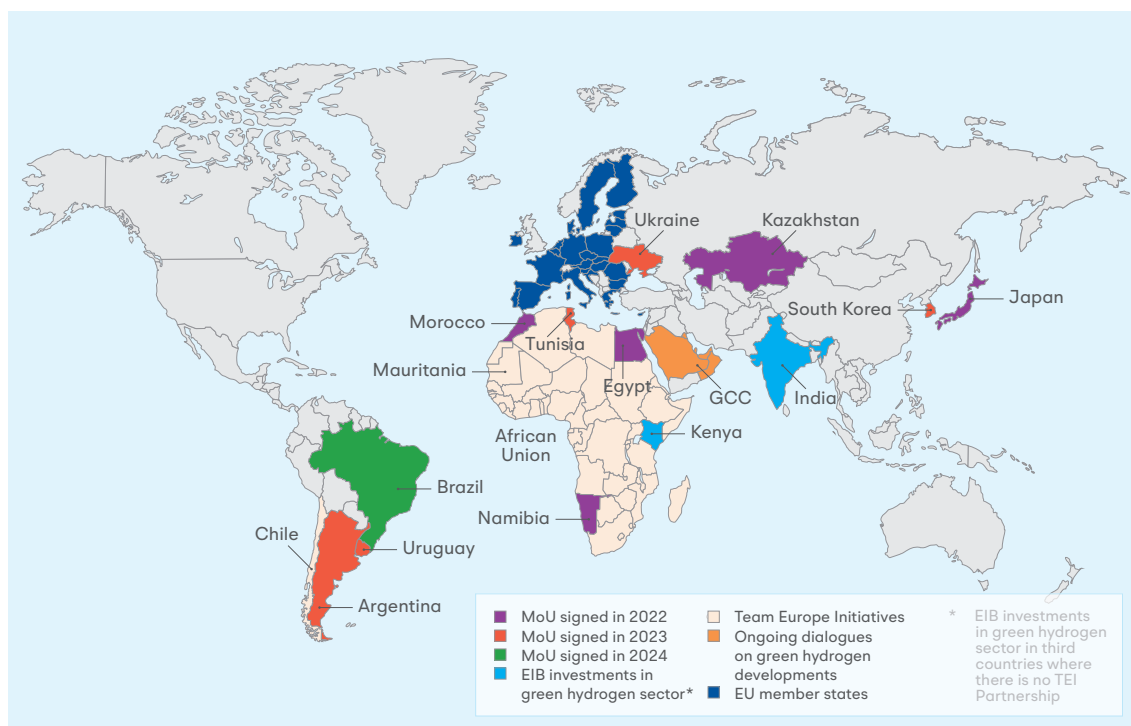
While historically DG INTPA and DG NEAR were more cautious about engaging in these energy partnerships, their stance has evolved and cooperation with DG ENER has increased. INTPA's international framework on energy cooperation is guided by the UN 2030 Agenda for Sustainable Development, and therefore prioritises energy access and delivering support to the least developed countries, which are not automatically the countries with the highest potential for the green energy transition. While DG INTPA has much greater financial resources

11 European Commission, "[Energy](#)", accessed 26 June 2024.

12 European External Action Service, "[The EU-GCC Cooperation on Green Transition Project](#)", 2024.

13 European Commission, "[166 key cross border energy projects published](#)", April 2024.

Figure 1 EU engagement in green hydrogen with third countries



Source: Authors' compilation, map created with Mapchat

for projects than DG ENER, it does suffer from its own setbacks. Its funding procedures are in fact slowed down by bureaucratic necessities and a lack of coordination with other EU bodies. Their responsiveness is not their strong suit, as they work with large, multi-year grants.¹⁴ The Office for Foreign Policy Instruments (FPI) is able to respond quicker but is also largely subject to inflexible framework contracts and procedures linked to EU expenditures.

Finally, the EC (i.e. DG ENER) also represents the EU at assemblies of the International Energy Agency (IEA), IRENA, and during negotiations of energy-related agreements of the G7, G20 and the COP. The EC has established a sort of feedback loop where the Commission formulates the EU's position, shares it in advance with the Council's WPE, and coordinates with different member states to ensure a unified position and consistent message. After these high-level meetings, the EC

debriefs the Transport, Telecommunications and Energy (TTE) Council. In practice, this happens often at the level of the WPE.

Council of the European Union

The Council is where Ministers of EU Member States convene and decide, often jointly with the European Parliament. However, on matters of external action, such as green energy diplomacy, they can often act alone. Decision making in the Council is supported by COREPER¹⁵ 1 and 2, and more than 150 working parties or preparatory bodies.¹⁶ In addition, ad hoc committees can be created for a specific purpose and cease to exist when their task is fulfilled, as in the case of CBAM.¹⁷ Within the Council, the TTE configuration and the Foreign Affairs Council (FAC) are involved in energy matters.

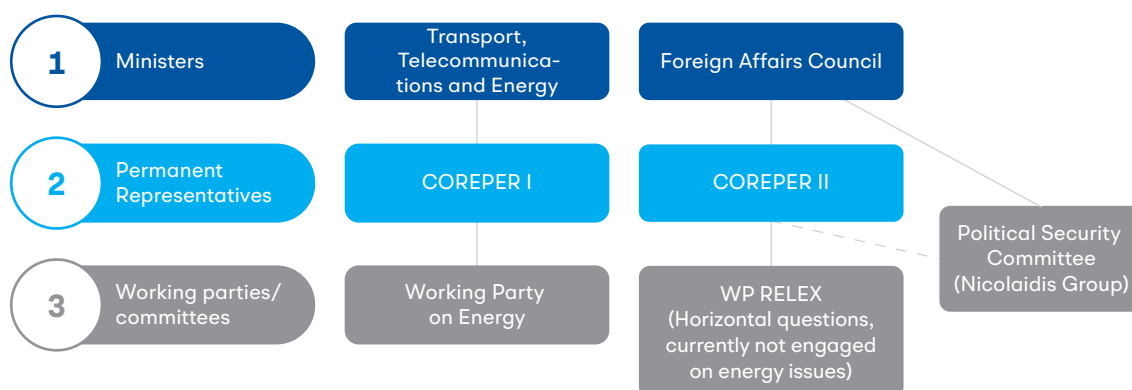
14 Giulia Cretti, Akash Ramnath and Louise van Schaik, "Transitioning towards energy security beyond EU borders: why, where and how?", Clingendael Institute, 26 October 2022.

15 Committee of the Permanent Representatives of the Governments of the Member States to the European Union

16 Council of the European Union, "List of Council Preparatory Bodies", 20 December 2023.

17 Council of the European Union, "Ad hoc Working Party on the Carbon Border Adjustment Mechanism (AHWP CBAM)", last updated 11 January 2024.

Figure 2 Council decision-making structure



Source: Authors' compilation

As illustrated in Figure 2, the work of the Council is organised at three different levels, with COREPER 1 supporting the work of the TTE, while COREPER 2 supports the work of the FAC (and the European Council). In practice, the Political and Security Committee (PSC) is the main body preparing the work of the FAC and can also directly place issues on the agenda. This senior body meets for about 2-3 days each week with participants at ambassador level. Whether energy-related issues are discussed in the TTE or FAC depends on the nature of the issue, the competencies of the respective bodies, and input from member states and the Council Secretariat that supports all Council bodies.

Energy issues that are on the agenda of the TTE are prepared by the WPE in which DG ENER takes place. For example, it discusses the EU's position at IRENA, IEA or Energy Charter Meetings, the Commission's agenda and non-binding instruments such as MoU and global initiatives for COP.¹⁸ The results of the negotiation pass through COREPER 1 to the TTE. Eventually, national ministers who meet at the Council formally adopt the decisions.

While the WPE is the primary preparatory body dedicated to energy, it appears not to be the

ideal forum for strategic discussions on how energy fits within the overall diplomatic relations with third countries. For Russia it has been clear that the EU prefers to reduce its energy ties, but for many other countries the relationship is more intricate. Because WPE participants generally come from energy ministries, their attention is mostly directed towards EU internal legislation, lacking a broader diplomatic perspective. If sensitive issues do emerge, there is usually little time to still consult the capitals.

If energy issues have significant foreign policy or security implications, discussions are held within the FAC, where only some countries involve energy experts. For example, the recently adopted Council Conclusions on Climate and Energy Diplomacy were negotiated in the FAC.¹⁹ Within the FAC, Conclusions are drafted and negotiated in the Nicolaidis Group, the preparatory body of the PSC. The results of these negotiations then go to COREPER 2, where member states' permanent representatives to the EU further prepare the Council meeting that is permanently chaired by the HR/VP. In this PSC track, the EEAS can set the tone in drafts and negotiations, as it chairs not only the final stage in the FAC, but also the preparatory meetings in the PSC and Nicolaidis Group.

¹⁸ EUR-Lex, "Consolidated version of the Treaty on the Functioning of the European Union – part five: external action by the Union – Title IV: restrictive measures – Article 218 (ex Article 300 TEC)", 9 May 2008.

¹⁹ Council of the European Union, "Council Conclusions on EU Green Diplomacy", 18 March 2024.

The PSC's sole focus on diplomacy and the EU's CFSP²⁰ and CSDP²¹ means that negotiations are centred around how to present the EU's position internationally in different fora, rather than when most is achieved in terms of the green energy transition. Another problem is that not all diplomatic positions are followed up by action – known as the expectations-capabilities gap of EU foreign policy.²² Moreover, due to its diplomatic focus the PSC cannot renegotiate internal policies on energy and climate, meaning that the policies and the external representation are done in two different Councils.

Lack of energy expertise such as the technicalities of green hydrogen, leaves the Nicolaidis Group reliant on the capitals, as well as the WPE, Working Party on International Environment Issues (WPIEI) and DG ENER for input. This situation persists as there is neither a working group or committee within the FAC dedicated to energy, nor a Working Party for Global Issues to address green energy issues. However, there is a Working Party on Foreign Relations Counsellors – Horizontal Questions (WP RELEX HQ) related to the EU's external relations that go beyond the remit of a given geographical or thematic working party. This body is chaired by a representative of the rotating presidency and its views differ on the attributing discussions of energy diplomacy issue to the presidency-chaired body.

Whereas Council bodies are staffed with representatives of the EU member states, they do not discuss national energy diplomacy efforts in these bodies. To informally exchange information and facilitate discussions on broader topics among energy ministries of EU member states, each Council presidency in the past has organised one or two meetings at DG level. One of the goals of such meetings was to discuss (strategic) international topics, in which officials from DG ENER also participated. Yet, these

discussions were normally limited to regional issues and did not include what we think of now as green energy diplomacy. This initiative, as well as the content of the discussion, depended greatly on the priorities of the country holding the rotating presidency and the meetings ceased to exist after the Covid-19 pandemic.

European External Action Service

When it comes to energy diplomacy and narratives, the EEAS is the dominant actor, with DG ENER taking a back seat. The Union's diplomatic service can be divided into two main components: the headquarters (HQ) and the EU delegations. The latter implement EU energy diplomacy on the ground. They take care of outreach to host-country stakeholders, reporting and information sharing, mainstreaming, and they also coordinate with member state embassies and between host country and Brussels. Delegations report not only to HQ but also directly to Commission's DGs. The EEAS cooperates with DGs, provides briefings for meetings with the HR/VP, coordinates Council working parties and chairs the Green Diplomacy Network (GDN) and the Energy Diplomacy Group (EDG).²³ See Figure 3 for an overview of coordination between different institutions, formats and actors.

The GDN focuses on environmental files and the COP, while the EDG – established in 2015 – deals with energy issues including energy security, Ukraine, outreach for AggregateEU, hydrogen, Just Energy Transition Partnerships and member states' activities. However, the EDG faces several challenges. First, its quarterly meetings are held online as the budget for representatives to travel to Brussels is lacking. Second, the meetings cover numerous topics but lack in-depth strategic conversations because of the varying levels of (green) energy expertise among member state representatives.

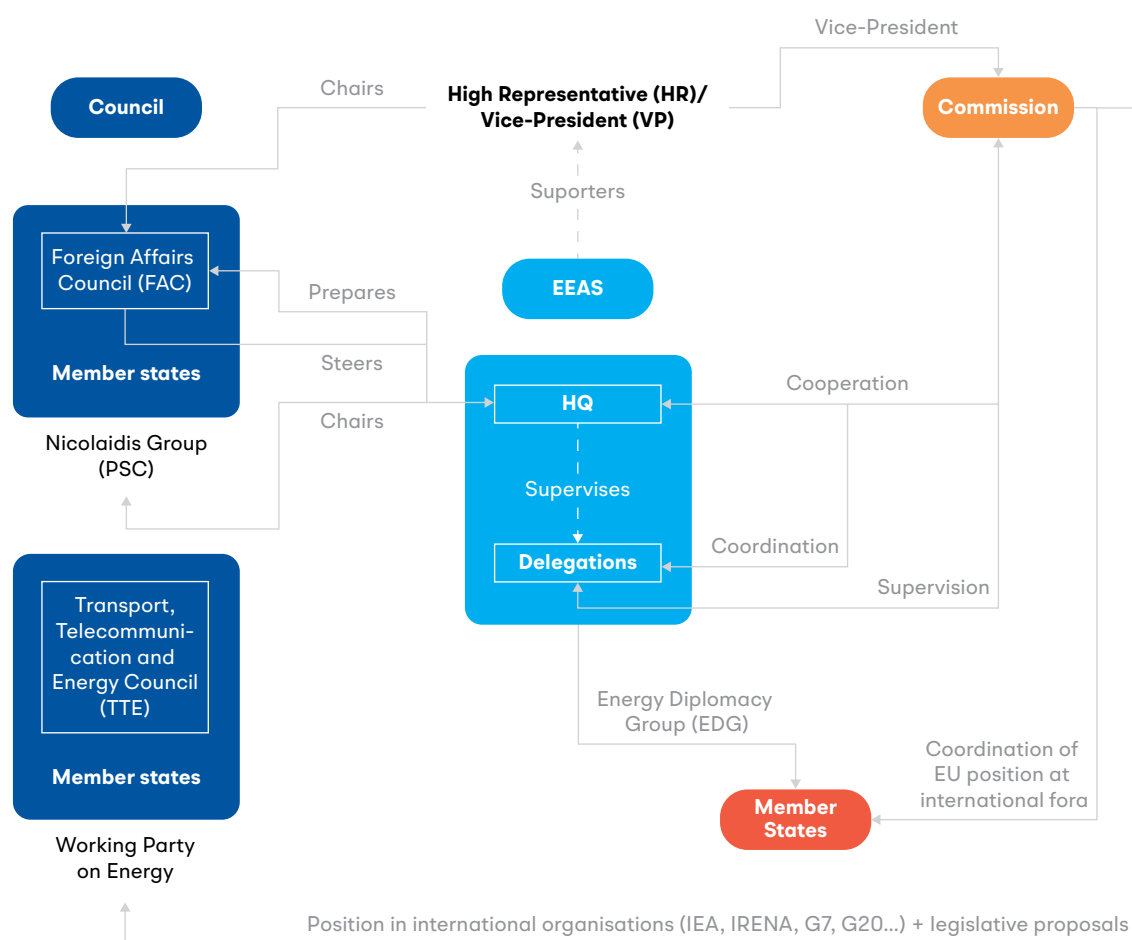
20 Common Foreign and Security Policy

21 Common Security and Defence Policy

22 Louise van Schaik, "Recuperating the European Union's Foreign Policy Machinery: Beyond Institutional Fixes", Clingendael Institute, 15 November 2008.

23 Katja Biedenkopf and Franziska Petri, "The European External Action Service and EU Climate Diplomacy: Coordinator and Supporter in Brussels and Beyond", *European Foreign Affairs Review* 26, no.1 (February 2021).

Figure 3 Coordination between the Council, EEAS, Commission and member states



Source: European Court of Auditors²⁴ and authors' compilation

Much time is spent on EEAS briefings to update member states, rather than the other way around. These challenges hinder in-depth discussion, exchange of ideas and actual networking. Third, while the EDG aims to open up discussions with member states to report their efforts on bilateral initiatives, they usually inform each other only post-factum. For example, bilateral MoUs are frequently not communicated and coordinated in advance, which could increase the risk of duplication or lead to conflicting initiatives among the EU and its member states.

The EEAS is key to shaping EU green energy diplomacy, and as the EEAS is generally closer to the EU member states, it has the potential to liaise more with the national efforts of member states. It has the potential to link energy diplomacy discussions to other foreign policy issues and concerns, such as the use of disinformation campaigns targeting EU climate and energy activities in third countries. However, the lack of capacity in terms of staff and budget restricts travel and proves to be a real obstacle. In practice, it has limited capacity with only about 2 fte for energy in the Global Issues Division: a challenge also familiar to EU member states. In addition, there is a notable disparity in capacity between the EU and its member states. To illustrate, while the EEAS and International

24 European Court of Auditors, "Special report 02/2024: The coordination role of the European External Action Service", 30 January 2024.

Unit of DG ENER only have a few people working on green energy diplomacy, Germany has diplomats working mainly on climate and energy issues in more than 40 embassies.

Making the EU architecture fit for effective green energy diplomacy

While there are a variety of actors and formats in place, a few obstacles remain that challenge the effectiveness of EU green energy diplomacy.

First, the fact that energy policy decisions are a national competence could at times undermine a cohesive approach. Member states have their own interests and priorities and often fail to consult each other and the EU institutions before concluding bilateral agreements. This results in a disconnect between member state and EU efforts, causing a risk of duplication of projects that could convey contradictory signals.

Second, in the various formats designated for discussing green energy diplomacy, such as the EDG and the WPE, there is too little room for strategic conversations. While member states can provide input for the drafts and negotiate texts through their representatives in the TTE and FAC, the varying levels of capacity and green energy (technical) expertise have an impact on their effectiveness. Increasing the number of Seconded National Experts could help address this issue, but currently there are too few, as member states fail to deliver.

Third, if energy issues are discussed in the PSC track, the Nicolaidis Group depends on technical energy expertise provided by the PermReps or DG ENER. While a Working Group on Energy within the FAC could address this need, the Council typically avoids creating new formats, particularly given the overarching capacity issues. Therefore, it could be beneficial to explore the potential of the WP RELEX HQ. However, this body lacks the direct connection to EEAS staff, as it is chaired by the rotating presidency.

Fourth, there is a disconnect between climate diplomacy and finance, with DG CLIMA and DG

INTPA prioritising other countries, regions and activities. Whereas climate mitigation activities can be used as a catalyser for energy transition and renewables can enhance energy access in remote areas, the two are often not well linked.

Fifth, the EU's diversification efforts have skyrocketed since the Russian invasion of Ukraine, as signalled by the number of MoUs signed with third countries. Yet, there is too little follow-up on MoUs or Council Conclusions on Energy Diplomacy, as ownership is dispersed across the EU and capacity (i.e. staff, money) is lacking.

To make the EU's green energy diplomacy architecture fit for purpose, this policy brief recommends the following:

- Strategically improve the formats that are in place. The WPE could enhance attention paid to the diplomatic relations in its conversations, and allow more time to prepare and discuss proposals for MoUs. In addition, to become more central to strategic energy discussions, the WPE's role in shaping external energy relations needs to be clarified, and joint meetings with the PSC/FAC could be organised to foster exchange of expertise.
- To prevent the duplication of initiatives, the EDG could serve as a platform for improved information exchange and coordination between the EU and its member states. Its agenda could increase the focus on strategic conversations rather than generic updates from the EEAS to member states. Specific agenda points could be created to discuss potential new initiatives by member states, the format could be changed from online-only to in-person meetings in Brussels, and lastly, member states could send higher-level delegations. An alternative would be to re-start the Energy DG meetings under the auspices of the rotating presidency and explicitly refocus these on green energy diplomacy and with the involvement of the EEAS.
- To address the absence of global issues in the FAC and to ensure a thematic understanding with a constant staff, create another

working group within the FAC that addresses global issues including energy and climate. Alternatively, allocate the global issues to the WP Relex HQ as it already has a mandate to discuss horizontal issues of external relations beyond a particular geographic or thematic working groups.

- To raise the level of expertise, EU member states could increase their efforts to second national experts to ensure more in-depth discussions on technicalities.
- To ensure follow-up of the rapidly initiated MoUs, the European Commission together with the EEAS could consider developing a platform to track progress and share updates regarding the status of each MoU.
- To enhance the connection of green energy diplomacy to climate and financing priorities, DG INTPA could extend its focus beyond the least developed countries – as middle-income countries have a great potential for the green transition.
- Should treaty change be on the table, the EU could consider whether the choice on energy resources other than nuclear could become an EU competence, so that the EU would also be the only actor to engage on this issue internationally.

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