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## The EU and Colombia

### Climate partnership beyond aid and trade

In the international climate negotiations, the EU and Colombia are seen as good friends. In this policy brief, we discuss the reasons why the EU cooperates on climate change with fossil-rich and post-conflict Colombia. We pose the question of whether this cooperation stretches beyond diplomatic cooperation in the context of climate negotiations. To what extent do EU trade and aid policies and the EU's climate agenda contribute to a coherent partnership with Colombia?

#### Why the EU needs partners in international climate negotiations

For about three decades now, the EU has taken a prominent position internationally on climate change and the issue has greatly affected its international image. In the run-up to a decisive UN-led climate conference in Paris at the end of 2015 (COP21), the EU has stepped up its climate diplomacy efforts. One of its policy objectives is to team up with countries with a progressive agenda that are gathered in the so-called group of Cartagena Dialogue countries. Cooperation with the countries participating in the Cartagena Dialogue is of key importance for the EU, as it could strengthen its position in climate change negotiations.<sup>1</sup> Included

in this group are several progressive Latin American countries that are part of the Independent Association of Latin America and the Caribbean (AILAC). Together, the EU, the AILAC countries, and others, like the Small Island Development States, push for more international action on climate change. As the largest AILAC country, with the city of Cartagena in its territory, Colombia has significant influence in this coalition.

At the previous UN climate conference in Copenhagen (2009), the EU pursued a rather isolated strategy of 'leading by example'. It paid relatively little attention to countries who also wanted more international commitment on climate change and eventually was sidelined while a deal was secretly negotiated by the US, China, Brazil, India and South Africa. Since then, the EU has shifted its attention to building coalitions with small and medium-sized countries with relatively progressive agendas, including the increasingly active AILAC group. Together, they ensure that climate change features high on the agendas of bilateral and multilateral meetings and they

<sup>1</sup> Van Schaik, L.G. 2012. *The EU and the progressive alliance negotiating in Durban: saving the climate?*, Report for the Climate and Development Knowledge Network (CDKN) and the Overseas Development Institute (ODI).

advocate for keeping climate change below 2°C.<sup>2</sup> The EU partnerships with developing countries also prevent emerging economies from presenting themselves as defenders of the developing world, while at the same time legitimises EU objectives and signals that international action on climate change is not an EU-only affair and is in the interest of an expanding worldwide coalition combating climate change.

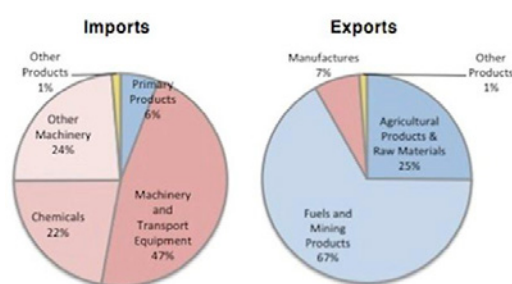
## The ideal of coherence of EU policies and the issue of climate change

A long-term goal of the EU is to improve the coherence of its external activities in order to increase its effectiveness as a foreign policy actor.<sup>3</sup> EU-Colombia relationships offer potential for policy coherence with regard to climate change. Both are participating in the Cartagena Dialogue, they recently signed a new trade agreement, and Colombia still receives aid from the EU and several of its member states. At the same time, Colombia is a (growing) middle-income country with rapid emission growth, and is a producer and exporter of hydrocarbons, notably oil and coal. In order to understand the EU's relationship with Colombia, and to discover the extent to which EU external policies are coherent with its climate change agenda, three policy fields are discussed in this brief: (1) bilateral trade policies; (2) development cooperation; and (3) diplomatic relationships and coalitions.

### (1) Bilateral trade policies: importing coal and supporting sustainable development

In 2014, the EU was the second largest destination for Colombian exports.<sup>4</sup> Fuel and

mining products make up the majority of EU imports from Colombia, and these have seen a considerable increase in recent years. In 2013 Colombia was the second biggest coal exporter to the EU after Russia; 22.6% of EU imports came from Colombia.<sup>5</sup> For the EU, on the contrary, Colombia and Peru are not major markets, accounting for only 0.6% of EU exports.<sup>6</sup> The main framework for engagement is the EU-Peru and Colombia Free Trade Agreement (FTA) that has applied since 2013. The FTA is expected to increase Colombia's GDP by approximately 1%.<sup>7</sup>



**Figure 1** Colombia's trade with the European Union (2011)

EU Commission, Directorate-General for Trade

Like other recently negotiated FTAs, the EU-Peru and Colombia Trade Agreement contain a relatively comprehensive sustainable development paragraph. It covers commitments on climate change, environmental quality and natural resource stocks<sup>8</sup>, as well as social dimensions of sustainable development (e.g., compliance with international labour norms). The latter

2 European Commission. 2015. 'The Paris Protocol – A blueprint for tackling climate change beyond 2020', Brussels, 25.02.2015, COM(2015) 81 final.  
 3 Art 208 Treaty on the Functioning of the European Union.  
 4 DANE. 2015. 'Colombia, destination of exports 1994-2014', DANE: Departamento Administrativo Nacional de Estadística, available at: <http://www.dane.gov.co/index.php/trade-and-services/exports>, accessed 29 June 2015.

5 Eurostat. 2015. Available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Coal\\_consumption\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Coal_consumption_statistics), accessed 10 August 2015.  
 6 EP Committee on International Trade. 2012. 'European Union: "Trade Agreement" with Colombia and Peru', Directorate-General for External Policies of the Union, Directorate B, policy department, EXPO/B/INTA/FWC/2009-01/Lot7/20-21.  
 7 De Gucht, K. 2012. 'EU-Colombia and Peru Trade Agreement', Public Hearing of the Committee on International Trade at the European Parliament, speech/12/142.  
 8 Leal-Arcas, R., Caruso, V. & Leupuscek, R. 2015. 'Renewables, Preferential Trade Agreements and EU Energy Security' forthcoming in *Laws*, Vol. 4, 2015.

receive more attention in bilateral dialogues linked to the sustainable development provisions and joint meetings with local stakeholders. Trade unions are generally well represented in these meetings but environmental non-governmental organisations less so.

The FTA consolidates the existing trade relationship with Colombia and offers a political framework for the government to seek EU support for its national policies on climate change and green growth. However, it does not give Colombia substantial advantages in developing environmentally friendly industries and policies. The main reason is that the FTA is not supported by a financial support mechanism for the sustainable development provisions and must rely on EU development cooperation funding or similar support from EU member states in this respect.

The coal imports pose a dilemma to the EU. On the one hand they appear to offset all the good intentions of the sustainable development provisions, as well as to counter the EU's climate mitigation objectives. On the other hand, these trade flows allow the Colombian economy to grow and generate revenues for poverty reduction, peacebuilding and a transition to a greener economy.

## **(2) Development cooperation: the challenge of mainstreaming climate action in development finance**

Since 2014, EU development cooperation has focused on the least developed countries, ending bilateral assistance for middle-income countries. Colombia, however, is an exception and still receives bilateral support managed by the European Commission and EU delegation in Bogota, although that will expire in 2017. The development cooperation relationship with Colombia is arranged through the Multiannual Indicative Programme (MIP) 2014–2017. Under the Development Cooperation Instrument, 67 million euro is reserved for this programme. Climate change is explicitly taken into account both in the (concluding) bilateral programmes and in the (continuing) regional programmes,

in particular through the EUROCLIMA<sup>9</sup> programme. However, most actions focus on social cohesion and governance issues, aimed at fostering peace in Colombia. Taking into account the broader context of the country's main challenges, this is understandable and in line with Colombia's own national priorities.

The EU aims to promote mainstreaming of climate action into national development plans, poverty reduction strategies, and public and private investments in order to achieve low emissions and climate resilient development. In 2013 it made a promise to spend at least 20% of its entire budget for 2014–2020 on mainstreaming climate action into all EU policies. However, it has been argued that this percentage should be higher for development cooperation funds, as they are particularly suitable for climate mainstreaming in comparison to other EU budget items. This may be an additional argument for suggesting that climate change become one of the topics for new activities the EU is envisaging with Colombia in the period up until 2017. In this respect it might be most relevant to seek opportunities where climate finance and efforts to reduce poverty and support the peace process are mutually reinforcing (e.g. adaptation projects in the more vulnerable regions).

## **(3) EU-Colombia diplomatic relationship and coalitions**

Colombia is historically oriented towards the United States in its diplomatic relations. Former President Uribe in particular secured close ties between the two countries, a trend being continued by President Santos. In international forums, EU-Colombia coalitions are rare, but policy objectives in the realm of environmental policies show increasing synergy. This, presumably, is influenced by Colombia's goal of obtaining OECD membership and joining that body's declaration on green growth. At the same time, Colombia's foreign policy goals focus on increased diplomatic presence in Asia-Pacific and on furthering South-South cooperation.

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<sup>9</sup> [www.euroclima.org](http://www.euroclima.org)

The AILAC-EU coalition in climate negotiations can thus be characterised as the exception rather than the rule. The Latin American countries in the coalition are generally considered very progressive and influential in international climate change negotiations. On this subject, they appear to antagonise the US, which for a long time has been rather greyish on climate change. They also seem genuinely concerned about their own relatively high degree of vulnerability to climate change.<sup>10</sup> The recent call for climate action made by Pope Francis strengthens their commitment to a more ambitious international climate agreement.

The AILAC-EU coalition and Cartagena Dialogue are, however, not the only 'communities' in which Colombia is participating and negotiating with the EU on climate issues. An emerging actor on climate issues is the Community of Latin American and Caribbean States (CELAC) in which larger countries such as Brazil and Mexico are also participating. Brazil, in particular, is emphasising the responsibility of richer countries to take the lead in mitigating emissions. Moreover, Colombia's progressive rethoric on climate change may not translate into domestic action. Colombia's Indicative Nationally Determined Contribution (INDC), which can be considered its 'pledge for Paris', is expected any moment. Allegedly, it will contain 'only' a 20% reduction by 2030 in comparison to a business-as-usual scenario,<sup>11</sup> although that level could be raised if the country was offered more climate support. Nevertheless, it seems as if Colombia, in terms of domestic action, is not so ambitious, which may be because its hydrocarbon interests structurally undermine its climate ambitions at home. In practical terms, it may be difficult for the government in Bogota to influence emissions in other parts of the country, where its control is weak.

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10 See for instance the GAIN index.

11 Darby, M. 2015. 'Colombia targets minimum 20% emissions cut by 2030', Responding to Climate Change (RTCC), <http://www.rtcc.org/2015/07/22/colombia-targets-minimum-20-emissions-cut-by-2030/>

## EU policy coherence on climate change?

Colombia does not fall into the category of 'least developed countries' and is not one of the 'preferred' developing countries of the African, Caribbean and Pacific (ACP) Group of States, neither is it referred to as a 'strategic partner' of the EU. Therefore, it falls between various programmes. It is not receiving the significant trade benefits offered to other countries and is unlikely to receive bilateral development cooperation beyond 2017. Although climate change is increasingly being mainstreamed within policy areas, the EU's trade and aid policies towards Colombia do not as yet actually support climate diplomacy efforts. There is certainly potential to make them do so, but that would require different and possibly additional funding allocations. The huge imports of coal to the EU could also be diminished, but discouraging these trade flows might sour the relationship between the EU and Colombia and jeopardise its economic (and poverty reduction and peace) prospects. It can be questioned if such measures would be necessary in light of the countries own motivations to push for more global action on climate change. Nevertheless, the inclusion of sustainable development provisions in the FTA with Colombia, and the relatively extensive dialogue linked to it, could be made more effective and more strongly focused on climate change alongside the already strong social dimensions of sustainable development. Currently, the Commission's Directorate-General for Trade does not allocate funds for supporting action on the ground and its leverage on the development programming is limited.

## A future planet with future partners

The EU's engagement with strategic partners, such as the AILAC countries, is driven by a mutual preference for an ambitious international climate deal, although it helps if the EU offers benefits. It is unlikely for the EU to come up with large sums of additional

climate finance for middle income countries like Colombia. With poverty reduction still being a key priority, this puts pressure on unfolding green growth policy plans in this country that is ambitious on climate change and is increasingly realising that it is in need of a long-term strategy beyond fossil energy sources. If the EU is serious about the strategic importance of Colombia being on its side, it should acknowledge more openly it being remarkably positive that this fossil-rich and post-conflict country is such an active player internationally on climate change. The EU should back up the

sustainable development provisions of its FTA with more joint programming and action on how to implement the commitments. This could be assisted by a funding instrument, either through (regional) EU development cooperation programming or through trade and investment support programmes of EU member states. The EU regional programme for Latin America and the Caribbean could also step up efforts in the realm of climate change for instance by sharing mutual policy experiences on mitigation and adaptation and providing support to private sector activities aiming for green growth.

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