EU climate diplomacy vis-à-vis Australia, Brazil and Mexico: engaging difficult partners to enhance global ambition

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Executive Summary

> Support from Australia, Brazil and Mexico was key for the adoption of the 2015 Paris Agreement on Climate Change. All three countries are among the top 15 global emitters, and are central players inside their negotiation coalitions within the United Nations climate regime.

> Since 2015, national governments with less climate-friendly agendas have come to power in these countries. In the run-up to the 2019 COP-25 in Santiago de Chile, which represents a last major opportunity to discuss enhanced ambition prior to the submission of parties’ Nationally Determined Contribution in 2020, it is important that these countries remain committed to the global negotiation process.

> To ensure that they do remain committed, the European Union’s climate diplomacy should:

> engage with national governments on some key areas which they are still open to, such as renewable energy in Australia and Brazil and positive spill-overs of public-private cooperation in Mexico;

> interact with sub-national governments, which have now often only rhetorically committed to combatting climate change, but lack the capacity to turn these into concrete policy measures.

The European Union (EU) played an important role during the negotiations of the Paris Agreement and in particular at the 2015 Paris climate summit (COP-21). The EU’s success in Paris was largely due to an adjusted climate diplomacy strategy following the largely unsuccessful 2009 Copenhagen climate summit (COP-15). Not only did the EU move away from its outlier positions, it also considerably changed its outreach in the run-up to COP-21. The bloc’s Climate Action Commissioner Miguel Arias Cañete embarked on a world tour to seek support from a group of over 100 like-minded countries for a comprehensive, global agreement. This group would later form the High Ambition Coalition (HAC), and would eventually also convince less ambitious governments to agree to the Paris Agreement. Since then, the political situation has changed significantly, posing a particular challenge for the preparatory negotiations for the December 2019 COP-25 organised in Santiago, Chile. This summit will be key to maintaining the level of ambition agreed upon in the Paris Agreement, especially since countries should enhance their Nationally Determined Contributions (NDC) in 2020. COP-25 will thus be a major milestone for keeping the ‘spirit of Paris’ alive.

Political changes have affected numerous key countries. The most discussed one concerns the election of US President Donald Trump and his announcement, in June 2017, to withdraw the US from the Paris Agreement (e.g., De Botselier 2018). In the wake of this major change with potential repercussions for the viability of the Paris Agreement, the positions of – and EU relations with – other major emitters, especially China and India, have also been widely debated, as has the case of Canada as a – under Trudeau – progressive industrialized country (e.g., Belis et al. 2018; Green & Turner 2018).

This policy brief therefore focuses on three other countries that arguably played important roles in broadening support for an agreement during COP-21, namely Australia, Brazil and Mexico. As the world’s 14th, 12th and 13th biggest emitter respectively, they are jointly responsible for about 5% of global emissions. Additionally, Australia has the eight highest score
for emissions per capita (JRC 2017). Each of them is an important member of a major negotiation group in the United Nations (UN) climate regime: the Umbrella Group (Australia), BASIC (Brazil, South Africa, India and China) and the Environmental Integrity Group (Mexico). As such, their approach to the negotiations will be essential to the success of COP-25. The policy brief provides, per country, a brief overview of their historical role in climate governance, then assesses their current policies and finally identifies possible actors, instruments and concrete issues that could be used by the EU vis-à-vis each of these countries to design a comprehensive climate diplomacy strategy ahead of COP-25. Currently, these countries are not explicitly addressed in the EU’s Climate Diplomacy strategies. The policy brief argues that the EU’s strategy should focus on engaging with national governments on some key areas that they are still open to while also interacting with sub-national governments. These latter have often committed to combating climate change, but regularly lack the capacity to turn their commitments into concrete policy measures.

Australia: still not warming up to climate policy

As part of the Umbrella Group, Australia has for long teamed up with industrialized countries as Canada, Japan, New Zealand, Russia, and – mainly – the US. Traditionally, Australia’s position is closely aligned with the latter’s: it is also rather hesitant to commit to strict climate targets in international negotiations, but lets the US take the lead in voicing the concerns of the Umbrella Group. After having ousted climate sceptic Prime Minister Tony Abbott only a few months earlier, then Australian leader Malcolm Turnbull was keen for Australia to take on a more leading role during COP-21. A long-term proponent of climate measures, Turnbull had in 2009 even lost the leadership of his party over his support for an emissions trading scheme. Despite Turnbull’s personal stance towards the issue and even though there was a clear momentum to break with his predecessor’s policies, Australia showed only lukewarm support for the HAC at COP-21 – joining only after its absence caused public outrage (Taylor 2015).

Australia’s position during the conference was rather emblematic for its general approach towards the issue: climate and environment are contentious topics, and a much-needed long-term policy is hard to develop considering Australia’s volatile political system with frequent government changes.

Ahead of COP-25, several major changes have occurred: Turnbull lost the premiership to intra-party challenger Scott Morrison. Among other policy initiatives, the new premier decided to cancel payments to the Green Climate Fund. Despite increased attention for climate policy as well as additional pressure from thousands of schoolchildren who have been participating in climate demonstrations in recent months, Morrison was confirmed in office during the May 2019 Australian federal election. It is therefore quite unlikely that any significant changes will be made to Australia’s climate legislation and policies. On the one hand, Morrison stated during the election campaign that he intends to respect Australia’s commitments under the Paris Agreement. He aims to achieve its greenhouse gas (GHG) emission reduction targets by making use of carry-over carbon credits from the Kyoto Protocol and by investing in renewable energy, particularly focused on Snowy Hydro, a set of hydro-electric power stations and dams. On the other hand, Morrison intends to abolish the National Energy Guarantee, a scheme set up by the Turnbull government that forced Australia’s 140 biggest companies to reduce their GHG emissions, without offering a clear alternative (Belot 2019). This will not suffice for Australia to meet its NDC (Climate Action Tracker 2019).

In addition to the federal government, climate action is also taken on the regional level. For example, Australian Capital Territory, Queensland, South Australia and Victoria have signed up to the Under2 Coalition, a group of subnational governments that have committed to lay down mitigation plans to limit global warming to 2°C. The latter three states – together covering more than half of Australia’s population – have also in practice shown an interest in developing climate-friendly policies and have made considerable investments in renewable energy. These local actions can have clear benefits, as shown by South Australia, which has moved from an energy importer to a net exporter (Graham 2018).

The EU’s climate-related engagement with Australia needs to target all levels of government. Although the national government may not be particularly keen on adopting stricter national or international climate policies and targets, Morrison’s interest in investing in renewable energy should be encouraged by the EU. This could be done by mainstreaming climate objectives in other policies, and trade in particular. Last year, the Council of the EU approved the mandate to start negotiations on a free trade agreement (FTA). Certain concessions on the EU’s side could be made conditional upon Australia enhancing its level of climate ambition. Furthermore, the EU should also engage with regional actors so that more states and territories follow South Australia’s example. There are several initiatives the EU can play a role on, such as Queensland’s current grappling with the Carmichael coal mine. Envisaged as one of the biggest coal mines in the world, extracting low quality and heavily polluting coal, the mine could pose risks to the Great Barrier Reef and the local groundwater, and is also incompatible with the measures needed to limit global warming to the Paris target of 2°C (ibid.). The global impact of this project could warrant at least some degree of engagement by the EU Delegation or the Commission’s Directorate-General (DG) for Climate Action vis-à-vis local policy-makers. Additionally, also the networks of member states present in Australia can be used, especially of those who are particularly active on climate change (see Torney & Cross 2018). The United Kingdom (UK), for instance,
has good ties with Australia, for instance through the Commonwealth of Nations, and has a well-developed climate diplomacy. It seems likely that also after Brexit, the UK’s approach to international climate negotiations will remain closely aligned with the EU’s. Also, Germany conducts several projects in Australia through the German International Climate Initiative. Member states that are already active could reorient their existing projects to specifically target individual states, or focus their efforts on the renewable energy and hydropower in particular, since the Morrison government is the most open towards these issues.

Brazil: how to deal with South America’s Trump

In the late 2000s, Brazil joined forces with its BASIC allies in what was seen as a successful strategy to block significant progress during COP-15. Back then led by socialist President Lula da Silva, Brazil had embarked on a successful journey to combat deforestation—one of the country’s major sources of GHG emissions—but it was not (yet) willing to contribute to a similarly progressive climate policy internationally, which it saw mainly as the responsibility of industrialized countries. In Paris, however, Brazil changed course and under President Dilma Rousseff joined the HAC shortly before the end of the conference, teaming up with developing countries and the European Union to push for an ambitious global climate pact. Its breaking away from BASIC allies was widely perceived as a pivotal development during COP-21 and gave the HAC clear momentum (Arias Cañete 2015).

The country’s role is bound to change significantly though under the presidency of climate-sceptic President Jair Bolsonaro, who was elected on a wave of discontent after years of political crisis and accusations of corruption against some of the country’s top politicians. Bolsonaro has not (yet) initiated the withdrawal process from the Paris Agreement. However, he refused to host COP-25 and seems unlikely to respect Brazil’s GHG reduction commitments—let alone support stricter targets. Particularly worrying is Bolsonaro’s support for the economic development of parts of the Amazon rainforest by removing environmental protection mechanisms and opening it up to agriculture, forestry and mining. As one of his first decisions, Bolsonaro shifted the competence to create indigenous reserves (many of which are in the Amazon rainforest) from the National Indian Foundation agency to the Ministry of Agriculture (Viscidi & Graham 2019). This could not only significantly increase Brazil’s carbon footprint, but also have negative consequences for global climate regulation and the world’s biodiversity.

In federal Brazil, sub-national actors also play a role in climate policies. While most Brazilian states and municipalities do not have well-developed policies in place, their impact should not be underestimated. For example, the City of São Paulo was in 2009 the first administration in Brazil to adopt GHG reduction targets, which in turn influenced São Paulo State and eventually led the federal government to do the same. Between 2011 and 2014, Belo Horizonte, Feira de Santana, Recife and Rio de Janeiro have also adopted similar comprehensive policies, often encompassing both adaptation and mitigation measures. Additionally, Amazonas was in 2007 the first state to adopt a climate policy, and now about half of Brazil’s 27 states have plans in place (Barbi & da Costa Ferreira 2017). The states of Acre, Amazonas, Mato Grosso, Pernambuco, Rio de Janeiro, Rondônia, São Paulo, Tocantins as well as São Paulo City have also signed up to the Under2 Coalition.

Although the Bolsonaro administration will not be the most keen to engage with the EU on climate change, it can still be targeted regarding some specific policy issues. First, Bolsonaro entertains close ties to the agricultural sector and has consequently been an ardent supporter of the biofuel industry (Viscidi & Graham 2019). The EU should engage in discussions on these issues as it will be particularly important that biofuels are promoted through technological improvements and efficiency gains rather than using new land, which would negatively impact the Amazon rainforest. Second, as job creation is one of Bolsonaro’s priorities, new employment can come from Brazil’s emerging electric car industry. Chinese car manufacturer BYD has started to produce battery cells and solar panels as well as assemble electric cars and buses in Brazil (Xinhua 2015). EU companies should equally be encouraged to contribute to this development and start investments. Third, Bolsonaro has been in favour of investing in renewable energy, such as solar and wind, in order to reduce dependence on (imported) coal and oil. Although he has been relatively silent on the specifics of his plans, this represents an area where the EU could apply some pressure (Viscidi & Graham 2019). The EU, through coordination between DGs TRADE, CLIMA and ENV, could for example link these environmental concerns to the negotiations of the EU-Mercosur FTA, which Bolsonaro supports and which have been reinvigorated recently (Gamarski 2019).

Additionally, the EU should also engage with subnational governments. The local EU Delegation, in coordination with DGs CLIMA and ENV, can specifically play a role by sharing experiences and technology adapted to the needs of each individual level of government. States to be focused on in particular, especially regarding measures to cut GHG emissions, are Minas Gerais, Rio de Janeiro and São Paulo, which together account for half of Brazil’s Gross Domestic Product. Furthermore, Amazon states could be particularly targeted regarding land use change policy and sustainable forestry (Barbi & da Costa Ferreira 2017). EU member states could reorient their already existing programmes, such as Germany’s International Climate Initiative, away from cooperating with the federal administration and work together with regional governments instead.
Engaging with the Bolsonaro administration on some specific issues while helping Brazil’s lower levels of government increase their climate ambition can at least somewhat mitigate the impact of the federal administration’s overall lack of enthusiasm for climate policies.

**Mexico: from driving force to climate laggard?**

Mexico’s contribution to international climate politics cannot be underestimated. As a member of the Environmental Integrity Group, it is a key country in the climate negotiation that was founded with the intention to transcend the differences between emerging economies and developed countries. Furthermore, Mexico’s presidency of COP-16 in Cancún was widely acclaimed for its transparency, which restored the trust between the negotiation parties following COP-15 (Park 2016). Joining the HAC in Paris, Mexico played an important role at COP-21 and thereafter. Additionally, it has successfully pursued regional cooperation with Canada and reached out to like-minded US states in an attempt to increase ambition but also to compensate for the non-action on the US federal level under the Trump administration (Taraska et al. 2018).

Nevertheless, Mexico’s driving role has come under pressure since the July 2018 election of President Andrés Manuel López Obrador (AMLO). His administration has delayed the retirement of several fossil fuel-powered plants and allocated funds for their modernisation at the expense of a successful renewable energy project. The 2019 budget foresees funds to support hydropower, but this does not compensate for the cuts made to other renewable energy projects. Moreover, the government cancelled the most recent rounds of the long-term electricity auction, which was one of the main instruments put in place for Mexico to attain its clean energy targets, and had previously proven successful in freeing private-sector money for green power. So far, it has not been replaced by any alternative. This has made it unlikely that Mexico will achieve its NDCs, which had already been judged as insufficient to limit global warming to 2°C (Climate Action Tracker 2019).

At the sub-national level, Mexican states are active in climate policy. The states of Aguascalientes, Baja California, Baja California Sur, Chiapas, Colima, Hidalgo, Jalisco, Mexico State, Michoacán, Oaxaca, Querétaro, Quintana Roo, Sonora, Tabasco and Yucatán, as well as Mexico City have joined the Under2 Coalition. Under the auspices of the Mexican chapter of the World Wide Fund for Nature (WWF) and the city of Guadalajara, the Alianza para la Acción Climática was created, a platform of businesses, local governments and universities that have committed to addressing climate change. The Alianza has also teamed up internationally and set up cooperation mechanisms with counterparts in Japan and the United States (WWF 2019). Nevertheless, the commitments made by Mexico’s subnational levels of government often remain rhetorical and lack a practical plan or successful implementation.

This may provide a window of opportunity for the EU. By sharing specific examples of climate policies with regional governments, lessons and best practices from the EU could serve as a basis for concrete action. This would strengthen the pro-climate forces in Mexico and put pressure on the federal government to (re)consider the impacts of its policies on the country’s NDC. The EU could also directly engage with the federal level. At the basis of López Obrador’s policies lies an attempt to combat corruption, fuelled by a mistrust of the close ties between business and Mexican politics, as well as his focus on developing social programmes, such as limiting electricity costs. While these intentions per se are undoubtedly laudable, they could arguably be achieved by other means – and this is where the EU could play a role.

First of all, the FTA concluded last year stipulates that both the EU and Mexico have to live up to their commitments under the Paris Agreement. As such, the EU (meaning DG TRADE) has an obvious stick it could use to point out Mexico’s obligations. At the same time, the FTA includes a provision on the “promotion of low-carbon technologies and energy efficiency” (DG TRADE 2018). This could be complemented by a public relations exercise to promote already successful examples of public-private cooperation on climate policies, drawing on successful examples in Mexico. For instance, Germany’s development agency GIZ and its International Climate Initiative have supported private sector GHG emission reduction efforts by issuing green bonds, and the UK’s International Climate Fund has financed technical assistance programmes to make private financing more attractive.

**Conclusion: what strategy for the EU ahead of COP-25?**

The global political landscape has clearly changed significantly since COP-21 adopted the Paris Agreement, making it more challenging for the EU to ensure that the negotiations at COP-25 remain on track to enhance ambition during the 2020 revision of the NDCs. Nevertheless, after analysing the political situation in some key countries, this policy brief concludes that there is a way forward also with Australia, Brazil and Mexico to preserve the spirit of Paris in Santiago – if the EU thinks strategically about who to target, what approach to use and how to engage with these partners.

First, the EU should be strategic in the actors it engages with and the topics it touches upon. Even less climate-friendly governments can be involved in the discussions on enhanced ambition if they are targeted in a tailor-made manner. For example, Australia’s Morrison supports hydroelectric power, Brazil’s Bolsonaro has a genuine interest in biofuels and Mexico’s López Obrador could be convinced to support private-sector investments in renewable energy as long as they do not lead to inappropriate involvement of businesses in public affairs. Additionally, there is a clear room for manoeuvre regarding subnational entities, which provides a window of opportunity.
that should be used effectively to compensate for the national governments’ lack of interest in climate policies. While there are numerous examples of states, regions and cities that have approved and implemented comprehensive plans to cut GHG or invest in renewables, many have only committed rhetorically to combat climate change. The EU should engage with these subnational actors, share best practices and encourage them to come up with concrete proposals. Action by subnational governments can not only mitigate non-action on the national level, but also contribute to climate change staying on public and political agendas, which is important to ensure that the entire country eventually remains at the international climate negotiation table.

Second, the EU should use all assets at its disposal in its approach to push for higher ambition, and its main selling point is arguably its status as the world’s largest economy. The mainstreaming of climate concerns in trade policies therefore provides for a promising window of opportunity. The EU is negotiating FTAs with Australia and Brazil (as part of Mercosur) and could make certain trade concessions conditional upon including provisions regarding climate ambition, such as respecting commitments made under the Paris Agreement. In cases where such provisions already exist, such as the EU-Mexico FTA, they could be used to remind current governments of their responsibilities. Other provisions can be included to set up exchanges on the promotion of green technologies or energy efficiencies, as is also the case with the EU-Mexico FTA. Furthermore, the EU’s approach can also build on activities from the member states. Some are particularly active on climate change and have well-developed programmes in place, such as Germany’s International Climate Initiative. Some of these already existing partnerships can be reoriented to include sub-national actors, especially those in policy areas where the national government lacks interest. Additionally, projects with national governments could be designed to focus especially on those areas in which current administrations are interested. Successful existing activities can be promoted through public diplomacy, which can eventually convince the federal governments of the benefits of, e.g., public-private partnerships – or at least keep the debate on the national political agenda.

Third, the EU should engage with these partners by involving a multitude of actors on the EU’s side, on different levels. Mainstreaming of climate change in trade policy will require a large role for DG TRADE, in coordination with DGs CLIMA and ENV. Additionally, the Green Diplomacy Network (GDN) is an instrument the EU could use for this purpose, especially as Australia, Brazil and Mexico are priority partners within this framework (Torney & Cross 2018). The GDN was created to mainstream environmental policy in EU external action, and to coordinate engagement by the Commission and member states more efficiently. While the Council of the EU launched the GDN, its specific set-up in third countries is largely organized ad hoc. Nevertheless, it is usually the EU Delegation taking the leading role, with France, Germany, the Netherlands and the UK also spending significant resources on environmental diplomacy. In practice, however, few EU Delegations have a specific climate/environment/energy attaché (Australia, Canada, China and India being the main exceptions), and even those diplomats often also have other topics they are responsible for. In most countries, it is a trade or development staffer who is, in addition to his/her main duties, also the focal point for climate change (ibid.). This arguably leaves little time to strategize which issues the EU should be active on, and on which political level it should pursue its objectives. A solution to this staff problem could be to dispatch a (semi-)permanent DG CLIMA official to EU Delegations to focus especially on subnational governments. This could be particularly useful in regions where many subnational governments are active, and where there is significant intra-regional cooperation, such as in North America.

Additionally, this more technical level of cooperation should be complemented by engagement on a political level, especially once the new European Commission is in place. For instance, after President Trump announced the US withdrawal from the Paris Agreement, then California Governor Jerry Brown was received by numerous EU officials, from Climate Action Commissioner Cañete to European Parliament President Tajani. This gave momentum to coalitions of states (e.g., the US Climate Coalition) and businesses/cities (e.g., ‘We Are Still In’) in the US to keep the national, public debate on climate change policy alive – despite the Trump administration’s climate scepticism. This example indicates a potential for engagement that could be replicated in other countries.

Although not in the same league as the top emitters China, India and the US, Australia, Brazil and Mexico are key players in global climate negotiations, which merit explicit attention by EU climate diplomats. By using the proposed combination of targeting specific actors in these countries, making use of existing policies and mainstreaming climate in trade policy as well as involving a wide range of actors on the EU’s side, the EU will be well prepared to become once again a key player at COP-25 in Santiago, as well as to keep the spirit of the Paris Agreement alive ahead of 2020 when parties are bound to enhance their NDCs.
Further Reading


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