

SWP Comment

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Colombia as a Leader in Climate and Energy Policy

Requirements for German and European Cooperation

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Under President Gustavo Petro, Colombia has positioned itself internationally as a leader in climate action and in pursuing a just transition away from fossil fuels. Among other things, Petro's climate and energy policy relied on supply-side measures to limit the exploitation of fossil fuels – a unique approach among those countries in the Global South that, like Colombia, export fossil fuels. At the same time, Petro has had only limited success in implementing this agenda within his own country. With the election victory of the right-wing opposition candidate, Abelardo de la Espriella, the future of this reform course is now being renegotiated. Whether the transformation in Colombia succeeds without jeopardising short-term economic stability, security of supply, and social cohesion is relevant for many countries that export fossil fuels and have only limited fiscal space. They are therefore closely watching whether, and under what conditions, Germany and the European Union (EU) provide support for Colombia's transformation. Failure would have political implications beyond Colombia.

Colombia's President Gustavo Petro, of the left-wing coalition Pacto Histórico, embarked on a far-reaching reform agenda after taking office in 2022. He placed the political shaping of a just energy transition and issues of social inclusion high on the political agenda, both nationally and internationally. Colombia itself faces considerable challenges: The country remains heavily dependent, both economically and fiscally, on revenue from the export of fossil fuels and the associated foreign exchange earnings. Conflicts over land, resources, and territorial control persist despite the 2016

peace agreement concluded with the guerrilla movement Revolutionary Armed Forces of Colombia – People's Army (FARC-EP); particularly in rural areas, the security situation remains fragile due to the presence of armed groups. Colombia's fiscal space is constrained by high debt, rising interest rates, and unfavourable financing conditions.

International framework conditions are further restricting Colombia's options. Petro's decision to stop awarding new contracts for the exploration of fossil fuels was viewed negatively by rating agencies



and investors. As a result, the cost of capital is rising precisely at a time when Colombia needs substantial additional funds to develop new economic sectors and new sources of government revenue, adjust its export profile, and diversify its energy mix.

How Colombia addresses these challenges is relevant in two respects to the progress of international climate protection efforts and the global energy transition. Firstly: Can the decarbonisation of the domestic energy and electricity system — alongside a reduction in the dependence of exports and government revenue on fossil fuels — be achieved in an emerging economy facing challenges shared by many countries in the Global South, namely dependence on commodity exports, limited fiscal space, high levels of inequality, and fragile security? Secondly: Is the international support required for this available on a sufficient scale and on affordable terms?

The impending change of government will reveal how resilient the country's climate and energy policy course is beyond Petro's term in office. The parliamentary elections on 8 March 2026 revealed a polarised and fragmented political landscape: both the left and the right have gained seats, yet no single political force is capable of forming a government on its own. In the presidential run-off on 21 June, the right-wing "law and order" candidate, Abelardo de la Espriella, narrowly defeated Iván Cepeda of the left-wing Pacto Histórico; he will take office on 8 August. A complete departure from the climate and energy policy transformation agenda is not to be expected under de Espriella, but a shift in priorities is likely.

Background: Colombia as an exporter of fossil fuels

Colombia remains a net energy exporter. Exports of fossil fuels are concentrated in coal and crude oil; in 2023, these energy sources accounted for around 10 per cent of government revenue, 35 per cent of exports, and around 4 per cent of total

economic value added. The sector therefore remains central to both the fiscal and foreign trade sectors. Colombia is the world's sixth-largest coal exporter and Latin America's fourth-largest oil exporter.

However, the reliability of this export model, which is based on fossil fuels, is under pressure. The International Energy Agency expects global oil demand to grow only slightly by the end of the decade and to level off around 2030. According to its assessment, global demand for coal has already plateaued and is likely to remain largely stagnant until 2030, before declining slightly. It is becoming risky for Colombia to rely on revenue from fossil fuel exports for its long-term development and fiscal planning. The country faces the prospect of considerable economic losses by 2050 if it fails to take early account of falling demand for fossil fuels and the associated transition risks. In a world that is reducing its CO₂ emissions in line with the Paris Agreement's target of limiting global warming to well below two degrees Celsius, Colombia could lose more than US\$88 billion in economic output by 2050 — around 27 per cent of its 2019 gross domestic product (GDP).

Added to this are declining reserves and production levels, which threaten not only future export revenues but also domestic security of supply. Colombia's proven oil reserves are sufficient for approximately 7.2 years, and its gas reserves for 5.9 years. At the same time, domestic energy consumption remains heavily reliant on fossil fuels. Although Colombia's electricity is predominantly generated from hydropower, electricity accounted for only 18 per cent of final energy consumption in 2024. Transport and industry, in particular, remain dependent on fossil fuels: Oil met around 90 per cent of the transport sector's demand, while coal covered around 40 per cent of industry's energy requirements. Colombia already imports petrol, diesel, and natural gas. Additional gas imports and the expansion of the relevant infrastructure would make alternative supplies more expensive and capital-intensive. Attempts

to secure parts of the gas supply via Venezuela remain risky given the damaged infrastructure, political volatility, and uncertainty surrounding sanctions.

Increasing climate risks are also already posing major challenges for Colombia: The prolonged El Niño droughts in 2024 had a negative impact on hydropower, which accounts for around two-thirds of electricity generation.

The strained budgetary situation exacerbates these vulnerabilities. The budget deficit and public debt have risen since 2024; risk premiums remain elevated and private investment continues to be weak. The result is a limited scope for economic and fiscal policy action.

The Colombian government is therefore under pressure from two sides: externally, export models reliant on fossil fuels pose a long-term risk, even if short-term price shocks resulting from geopolitical crises and conflicts can temporarily boost export earnings and government revenues. Domestically, the country's fossil fuel base is shrinking, while energy demand continues to be met largely by fossil fuels.

Petro's reform agenda

Petro's ambitious climate and energy policy sought to address this external and domestic economic vulnerability. It formed part of a broader socio-ecological reform agenda, which combined decarbonisation and energy sovereignty with the protection of biodiversity, water resources, and forests. Petro promised marginalised groups a greater say and more social inclusion, as well as lower energy costs for low-income households. Support for and opposition to this course therefore do not follow a simple line of conflict between climate protection and the fossil-fuel status quo, but depend heavily on employment, municipal revenue, security of supply, and energy prices.

Environmental policy

How this shapes the key areas of reform is particularly evident in environmental policy. Around 60 per cent of Colombia's greenhouse gas emissions come from the agriculture, forestry, and other land use (AFOLU) sector. Deforestation, forest degradation, and extensive livestock farming are major drivers. The extreme concentration of land ownership and insecure land titles have fuelled the armed conflict between the state, guerrilla groups, paramilitary groups, and criminal networks for decades. This hinders forest conservation, ecosystem-based adaptation, renewable energy projects, and the development of alternative sources of income. Petro's land reform is therefore also essential for the implementation of his environmental, climate, and energy policies.

This implementation is to be ensured through measures such as the ratification of the Escazú Agreement, which aims to strengthen participation and legal protection in environmental matters, the protection of environmental and human rights defenders, and the expansion of protected areas as well as the formalised powers of indigenous authorities. Deforestation fell by just over 54 per cent between 2021 and 2023, reaching its lowest level since records began. However, the renewed increase in 2024 highlights that progress remains fragile and that the structural drivers of forest loss have not yet been sustainably curbed.

Climate policy

With its long-term climate strategy, published in 2021, Colombia committed to achieving carbon neutrality by 2050. In September 2025, the country submitted its updated nationally determined contribution (NDC) for the period up to 2035 to the United Nations (UN), thereby further specifying the government's path to carbon neutrality by 2050 under the Paris Agreement. The existing target for 2030 — a 51 per cent reduction compared with the

business-as-usual scenario — is supplemented by an emissions corridor for 2035: Colombia aims to have limited its greenhouse gas emissions to between 155 and 161 million tonnes of CO₂ equivalent per year by then. The updated NDC brings together mitigation, adaptation, and biodiversity targets more closely under the guiding principle of a socio-ecological transformation. It also sets out specific steps for developing a roadmap towards a gradual phase-out of fossil fuels and the removal of fossil fuel subsidies; plans include, for example, a subsidy inventory and reform proposals by 2027, as well as the publication of the roadmap by 2029.

Energy policy

The Petro government began developing the concept of a just energy transition in late 2022 through a nationwide dialogue process and subsequently set it out in the “Roadmap for a Just Energy Transition”. The National Development Plan 2022 — 2026 translates this approach into concrete programmes, including energy communities that enable municipalities to produce renewable energy in a decentralised manner. In addition, the government is focusing on programmes to replace firewood in households, energy efficiency measures, the electrification of transport, and the “Colombia Solar” programme. The latter combines relief for low-income households with a decentralised energy supply and the generation of electricity from renewable sources. This is achieved by channelling some of the electricity subsidies for low-income households into investments in solar installations. At the same time, the government has reaffirmed its stance on fossil fuels: No new exploration contracts for coal, oil and gas will be awarded, although existing contracts remain in force. By addressing the supply side of fossil fuels at a policy level, Colombia occupies a unique position among the countries of the Global South that export fossil fuels.

The expansion of renewable energy is progressing at varying speeds. Solar energy and decentralised projects have grown significantly; the share of non-conventional renewable energy sources in Colombia’s electricity mix has risen sharply since 2022. By the end of 2024, installed solar capacity stood at 1.9 gigawatts, accounting for around 9 per cent of the country’s installed electricity generation capacity. At the same time, the expansion of large-scale wind energy projects is proceeding slowly, particularly in the department of La Guajira. The reasons include grid bottlenecks, regulatory uncertainties, insufficient consultation processes, and conflicts with the Wayúu communities living there over territory, the distribution of benefits, and cultural impacts. Hydropower remains vulnerable to shortfalls in rainfall.

Regional dependence on coal, particularly in the departments of Cesar and La Guajira, where employment and municipal revenue remain heavily tied to the coal sector, is proving difficult to overcome. Economic diversification and the development of viable alternatives to coal — such as new supply chain segments, tourism, green hydrogen, and renewable energy — have so far remained fragmented overall and cannot replace export earnings and government revenue from fossil fuels in the short term. In addition to a lack of investment and regulatory uncertainties, unresolved questions of land rights and participation, as well as limited local capacities, are preventing economies of scale.

Concrete progress is evident in the field of electric mobility: Tax and regulatory incentives have been established and, most recently, clarified. Between January and May 2025 alone, 6,153 new electric vehicles were registered in Colombia, an increase of 252 per cent compared with the same period of the previous year. Bogotá is also among the cities with the largest fleets of electric buses in Latin America. The government has taken initial steps towards phasing out subsidies for fossil fuels, primarily through adjustments to the Fuel Price Stabilisation Fund (FEPC) and through — albeit

highly controversial — proposals to reduce diesel subsidies.

The financing factor

The implementation of Petro's agenda depends largely on access to finance. Given the difficult fiscal situation, the Colombian government remained heavily reliant on revenue from fossil fuels during his term in office. Colombia requires substantial additional investment for the energy transition, adaptation to climate change, and socio-ecological transformation that far exceeds the state's fiscal capacity (equivalent to 7–10 per cent of GDP annually until 2030). Through a country platform centred on a portfolio of prioritised projects, the government is seeking to pool financing for this transition. The projects require US\$40 billion; the country platform is intended to mobilise funds from development banks, private investors, and international partners. In addition, the phasing out of fossil fuel subsidies is intended to create fiscal space. So far, however, the platform has not yet secured the level of external financing and risk mitigation needed to implement Petro's transformation agenda.

International leadership on the transition away from fossil fuels

On the international stage, Colombia assumed a leadership role under Petro: As a credible and ambitious actor in the Global South, it has set the agenda in UN climate diplomacy — particularly in the debates on the transition away from fossil fuels (TAFF), which was agreed in 2023 at the 28th Conference of the Parties (COP28) in Dubai. Three decades after the start of the COP process, the contracting parties in Dubai jointly called for the first time for a just, orderly, and equitable transition away from fossil fuels in energy systems (see SWP-Aktuell 2/2024). Colombia's global leadership role is particularly noteworthy in light of diplomatic tensions with Washington. The United States remains an important

trade, investment, and security partner for Colombia. At the same time, the Trump administration is seeking to achieve energy dominance through an increasingly aggressive foreign policy centred on fossil fuels, while attacking international climate protection efforts on various fronts.

Petro's climate and energy diplomacy aimed to build alliances and partnerships to accelerate the energy transition. Furthermore, it sought to raise Colombia's profile as an exporter of fossil fuels that pursues a supply-side climate policy. Colombia is the first country in Latin America — and, to date, the largest producer of fossil fuels — to support the Fossil Fuel Non-Proliferation Treaty; it has joined the Powering Past Coal Alliance (PPCA) and is actively involved as a "Friend" of the Beyond Oil and Gas Alliance (BOGA). In March 2026, Petro announced that he would initiate his country's withdrawal from the international Investor-State Dispute Settlement (ISDS) system in order to limit the financial and legal risks of its energy policy and to regain the state's room for manoeuvre vis-à-vis investors in fossil fuels.

At COP30 in Belém, Colombia was one of the driving forces behind the attempt to translate the transition away from fossil fuels agreed in Dubai into a more binding international follow-up process. A broad coalition of around 80 countries called for a global roadmap with clear milestones, scientific coherence, differentiated responsibilities, and a reliable financing framework (see SWP-Aktuell 1/2026). Although such a roadmap could not be enshrined in the official COP outcome, the Brazilian COP Presidency is continuing the process outside the formal negotiations.

With the Santa Marta Conference in April 2026, which was largely initiated by the Colombian government and co-organised with the Netherlands, Colombia underlined its leadership role in the TAFF process. The conference brought together a group of states willing to take further steps and continued work on roadmaps, financing issues, and concrete implementation options outside the formal COP negotia-

tions. The Colombian government has thus made a decisive contribution to shifting TAFF into a debate on implementation and to pursuing it politically through new coalitions and formats, despite strong resistance from other states that became openly apparent during the closing plenary of COP30.

National implementation shortfalls and political uncertainty

While Colombia was actively engaged on the international stage, there were clear weaknesses at the national level in the implementation and institutional embedding of Petro's policy: Frequent staff changes in ministries, limited bureaucratic continuity, constrained technocratic capacities, and a state apparatus overburdened by multiple reform initiatives simultaneously made it difficult to implement Petro's strategic objectives. Carefully designed instruments, such as the "Roadmap for a Just Energy Transition", were followed only to a limited extent by clear lines of responsibility, budgetary allocations, and operational programmes. This also hinders international support.

Added to this are entrenched structures of vested interests and interdependencies between the central government, companies whose business models are based on fossil fuels, departments dependent on resource royalties, municipalities, and local employment schemes in producing regions: Petro's personalised and populist communication has further exacerbated this. Although this has raised the profile of his reform agenda, it has simultaneously made it more difficult to form a coalition, intensified resistance, and linked the energy transition more closely to his person than would be conducive to its political continuation beyond his term of office.

The 2026 presidential election has intensified the debate over the direction of the reforms initiated by Petro. There is much to suggest that the expansion of

renewable energy, the grids, and electric mobility will continue even after the change of government; the geoeconomic, fiscal, and energy-security constraints have by now become too strong to ignore. Under the de la Espriella government, however, the pace is likely to slow and the focus to shift: The energy transition will probably be treated more as a matter of energy security and economic modernisation, and less as a socio-ecological transformation project. New oil and gas concessions, as well as a renewed debate on fracking, are expected; Colombia is unlikely to continue to act as a driving force behind an international transformation agenda that addresses the supply side. Issues of social inclusion and distributive justice are expected to take a back seat.

EU–Colombia cooperation: A benchmark for effective transformation partnerships

For Germany and the EU, the significance of cooperation with Colombia extends beyond bilateral relations. Petro has attracted international attention with his reform agenda. The question of how this can succeed without jeopardising short-term economic stability, security of supply, and social cohesion is relevant for many fossil fuel-exporting countries in the Global South. Whether, and under what conditions, Europe supports such a transition process is therefore likely to be closely monitored. This also has implications for the credibility of Germany and the EU within multilateral coalitions seeking to implement the transition away from fossil fuels agreed in Dubai. If they succeed in providing sustained support for Colombia's high level of ambition, this could strengthen the role of Germany and the EU as partners for other countries undergoing transition.

Current priorities

The EU is Colombia's third-largest trading partner and, after the United States, its

second-largest source of foreign direct investment. In 2023, Germany and Colombia signed a bilateral Partnership for Climate Action and a Just Energy Transition. The partnership focuses on expanding renewable energy, protecting the environment and biodiversity, and promoting sustainable urban development. To this end, the German government pledged up to €200 million in funding to Colombia. Germany is involved in the Colombian peace process, and Colombia is one of the three bilateral partners of the Federal Ministry for Economic Cooperation and Development (BMZ) in Latin America.

Regardless of the election result, Colombia remains an important partner for Germany and the EU. In 2025, the EU and Colombia agreed to launch negotiations on a Partnership and Cooperation Agreement, which is to cover, among other things, climate and the environment, renewable energy, security, and the fight against drug trafficking and organised crime. The framework for cooperation on climate and energy policy is provided by the Joint Declaration on the Environment, Climate Action and Sustainable Development, signed in 2022, and the high-level dialogue based on it. The EU and Colombia are working closely together in the UN climate negotiations.

For the period 2021 – 2027, the EU is providing Colombia with at least 106 million euros, which is intended to mobilise larger investments under the Global Gateway strategy. The investment package covers areas crucial to Petro's reform agenda, such as renewable energy, green hydrogen, and regional electricity integration. In addition, the EU supports sustainable financing instruments (such as the implementation and further development of the green taxonomy), combating deforestation, promoting the circular economy, and strengthening sustainable value chains.

Other key areas of cooperation include the expansion of the Bogotá metro and the establishment and expansion of local electric bus manufacturing. Regional EU programmes such as Euroclima and AL-INVEST Verde complement this cooperation

through regulatory advice, capacity-building, innovation support, and technology transfer. Since 2024, the European Investment Bank (EIB) has translated its support for the just energy transition, pledged at COP27, into concrete action through loans for electric mobility, electricity grids, renewable electricity generation, and solar projects.

However, viewed as a whole, the cooperation falls short of its potential strategic significance. The EU is perceived by Colombian partners as a fragmented, hesitant actor with only limited strategic visibility. Financing often only materialises once projects are already well advanced; the EU has little presence during the early, high-risk phases, when project development, permits, consultation, social safeguards, and initial guarantees are required. Furthermore, the EU has as yet failed to make a quantified commitment to Colombia's country platform. From a Colombian perspective, the Global Gateway procedures are also difficult to navigate: It is not always clear which institution is responsible for what, how projects are prioritised, or how local stakeholders are involved. On the European side, a lack of coordination between EU institutions and member states hinders strategic coordination (see SWP-Aktuell 67/2024). From a European perspective, cooperation suffers from high staff turnover and delays on the Colombian side, as well as uncertainty regarding administrative continuity.

Recommendations to Germany and the EU for reliable implementation

For Germany and the EU, cooperation with Colombia following the change of government depends less on new formats than on implementing what has already been agreed in a (more) reliable manner. A clearer proposal from Team Europe should align existing instruments, such as the Global Gateway, more closely with Colombia's country platform. There should be a limited number of projects jointly prioritised with



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Colombia, along with clear lines of responsibility between the European Commission, the European External Action Service (EEAS), the member states, the EIB, and implementing bodies. In addition to greater coherence, the aim should be, above all, the ability to act sooner, better alignment with Colombian priorities, and transparency regarding financing.

Germany and the EU should prioritise supporting Colombia in implementing those elements of the “Roadmap for a Just Energy Transition” and the existing transformation portfolio that remain compatible with changing political priorities. The way the transition is shaped at the local and social levels will help determine whether Petro’s reform agenda can be sustained politically. In view of the impending change of government, European cooperation should aim to specifically safeguard these dimensions. Indigenous, Afro-Colombian, and rural communities must be involved at an early stage and granted substantive rights. Consultation alone is not enough. In Cesar and La Guajira, Germany and the EU should support regional just-transition approaches that combine skills development, social infrastructure, and alternative value creation, while also involving local small and medium-sized enterprises.

To generate results more quickly and make them diplomatically visible, focus should be placed on the pragmatic expansion of existing areas of cooperation: renewable energy, public transport, combating deforestation, and the intersections between environmental policy, organised crime, and the illegal economy. In terms of industrial policy, Germany and the EU should prioritise sectors where demand, regulation, and initial capacity already exist in Colombia, such as public electric mobility, charging infrastructure, grid technology, and selected supplier segments. German and European financing should in earlier and assume more risks. Grants, guarantees, blended finance and project preparation

funding could support early-stage projects and help crowd in additional investment.

It remains to be seen whether Bogotá, under de la Espriella, will remain among those states that support the international TAFF process. At the very least, it is unlikely that Colombia will continue to play an international leadership role in the process following the change of government. This makes it all the more important to anchor cooperation with Colombia in existing commitments and frameworks and to ensure that issues relating to the socially just phasing out of fossil fuels continue to be incorporated into the high-level dialogue with Colombia. For German and European climate and energy diplomacy, this means that the continuation of the TAFF debate will depend more heavily on other partners – in particular the Netherlands, Tuvalu, Ireland, and Brazil. Broader involvement of relevant non-state actors and institutional embedding should be taken into account from the outset. It is important to link this plurilateral dynamic over the long term to the UN climate process and the second global stocktake.

For Germany and the EU, there is more at stake than the success of bilateral cooperation: If they succeed in transforming what has so far been rather piecemeal cooperation into a more coherent, resilient, and more firmly locally rooted partnership, German and European climate and energy diplomacy would gain credibility with countries that export fossil fuels. Furthermore, this would underpin the commitment to ensuring that the global energy transition is carried out in a socially just manner. Both would also provide a clear argument for advancing the international debate on a just transition away from fossil fuels.

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