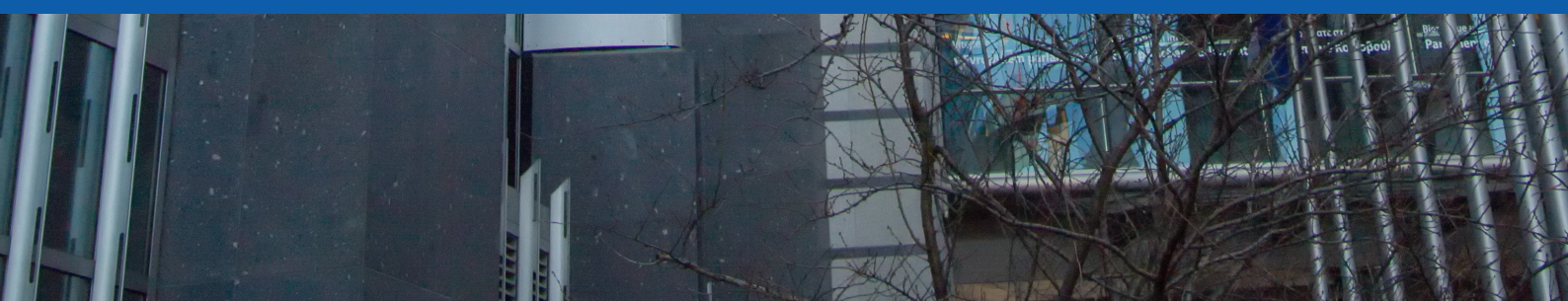
UK IN A CHANGING EUROPE

# THE CRISIS OF MULTILATERALISM: WHAT CAN EUROPE DO?



# FOREWORD

We are living through a period of profound change in both international and domestic politics. As populist governments question long-term commitments to key international institutions, so the changes we see in the multilateral system that has been in place since the end of the Second World War threaten to fundamentally change not only the nature of world politics, but the influence of European states over those politics.

Consequently, we thought this was a good time to stand back and consider what those changes to multilateralism are, how they are taking place, what their implications might be and how, if at all, the UK and EU can and should respond. It is all too easy in these times of domestic discontent to focus on what is happening here and to lose sight not only of the profound shifts occurring in the world around us, but also the ways in which those shifts feed into changes at home.

As ever, I am profoundly grateful to all those who have given their time and expertise to contribute to what follows. Within the UKICE team, my gratitude to Jannike Wachowiak and particularly Joël Reland who did the bulk of the commissioning and the editing.

I do hope you find what follows both interesting and readable. UKICE is always looking to collaborate with new partners, so if you have ideas as to future work we could be doing, or have comments on this report, do please get in touch.

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Professor Anand Menon
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# INTRODUCTION

Among the many victims of the current turmoil in global politics has been the system of multilateralism that has grown up since the end of the Second World War. After decades during which this collection of interlocking institutions and regimes was seen as integral to shaping international affairs, a number of factors have conspired to both challenge and undermine it. From the mercurial Donald Trump to the rise of powers frustrated with their limited influence within key institutions, multilateralism is under pressure as never before.

The system that emerged in the aftermath of WWII formed a key part of efforts to ensure continued peace and prosperity through a set of shared international institutions and agreements: the UN; the IMF and World Bank; the GATT trading system. Over time, further systems were created to address other issues such as global health, economic development and climate change.

Western powers have historically been major proponents, and beneficiaries, of this rules-based order. It served to uphold and advance their liberal economic and political values while offering in-built advantages (such as permanent seats for the UK, France and US on the UN Security Council). But the effectiveness and legitimacy of these institutions is now threatened by multiple crises. For the UK and EU, which have long relied on multilateralism to exert an outsized influence internationally, this is a critical threat to their interests.

This report seeks to distil what those crises are and, in light of the new 'Common Understanding' between the UK and EU, ask how the two sides might collectively respond. It is structured thematically, with each chapter, written by an expert in the field, offering an assessment of a particular multilateral system or institution. From this collection, a number of key themes emerge.

The most longstanding challenge, as Minh-Thu Pham notes in her chapter, is that 'some of the structures that made sense in 1945... don't look very modern today'. The same five powers (China, France, Russia, the UK and US) still hold a permanent veto at the UN Security Council, and their diverging worldviews make agreement impossible on many critical questions. Other systems have fragmented. The closest thing to an international migration regime remains the UN Refugee Convention - signed in 1951. Meanwhile, the siloed nature of multilateral institutions seems at odds with the blurring of the lines between modern challenges like climate change, migration, global health and development aid.

If the foundations of multilateralism have been eroding for a while, then the second Trump administration has taken a sledgehammer to them. The original guardian of the rules-based international order has become its chief antagonist. The United States has withheld funds from the UN and frozen foreign aid spending, leaving major funding gaps which, as Cosima Lenz and Louise Bengtsson elucidate, could lead to 14 million preventable deaths by 2040. In addition, President Trump's disregard for the rules of global trade and withdrawal from the UN Human Rights Council, World Health Organization and Paris Agreement undermines the legitimacy of those systems, encouraging others to play fast and loose with the rules.

The UK and EU might appear obvious candidates to fill the leadership gap, but domestic policy concerns increasingly militate against this. As Mark Miller points out, 'anti-globalist movements have argued that an 'elite-led' foreign policy is increasingly detached from the interests of working people'. In response, UK and EU governments are sacrificing international objectives for domestic ones. Official development assistance is being cut to fund other priorities. Climate policy is loosened on cost-of-living grounds. Refugee and human rights concerns appear secondary to the imperative of reducing migration.

These dynamics are not lost on the rest of the world, with the UK and EU increasingly open to charges of hypocrisy. It is hard to refute accusations that their adherence to the rules-based international order is selective. They hoarded vaccines during the Covid-19 pandemic. They take a markedly firmer line against Russia's war in Ukraine than Israel's in Gaza. They ask the Global South to decarbonise while falling short on the promised finance to support it. They disregard global trade rules to cut deals with Donald Trump. And they are willing to overlook human rights abuses in other countries when there is a useful treaty to be signed.

This hypocrisy might not – from a purely *realpolitik* perspective – be such a problem if the United States still served as guarantor of the multilateral system: setting and enforcing the rules of the game in broad alignment with the UK and EU. But in the Trump era, power is increasingly multipolar; Global South countries are forging new alliances with the likes of China, Russia and the Gulf states (where they are treated more as economic partners than passive recipients of aid), which carry increasing weight in international fora.

This all raises critical questions for the UK and EU about the way forward – and how to preserve their interests in an increasingly fragmented and unpredictable system. Should they step into the leadership vacuum left by the US, to try and revive ailing multilateral institutions? And if so, how? Or should they accept that the old order is dead, and pursue a new agenda defined more by narrow national

interests than common international ones? The authors of this report suggest that it is not necessarily a binary choice.

There is unanimity that an all-out retreat from multilateralism would be a strategic misstep. The idea that the UK and EU can prioritise 'domestic' concerns over 'international' ones is erroneous. The clear lesson of recent history – whether it be the Covid-19 pandemic, the global energy crisis, or migration movements towards Europe – is that international and domestic affairs are deeply intertwined. To withdraw from the multilateral system is to reduce your ability to shape the course of events.

And though the multilateral system is damaged, it has not completely fallen apart. As imperfect a forum as the COP might be for tackling climate change, it is, as Elise Larkin writes, 'the only one we have'. For all the challenges that beset the UN, development banks, or the global health architecture, they continue to drive progress internationally. And however long a shadow Donald Trump presently casts over the multilateral system, it is not – necessarily – a permanent one. A change in US leadership may present future opportunities to revitalise ailing institutions.

But our authors are emphatic that any revival of the multilateral order cannot mean a return to the status quo ante. The inflexibility of the current architecture, and top-down governance dominated by the old western order, must be reformed if multilateral institutions are to regain their credibility and effectiveness.

To address the crisis of legitimacy, there needs to be a greater voice – and decision-making powers – for the Global South in governance reform processes underway in arenas like the UN, international financial institutions, and the global health architecture. The UK and EU will have to accept a reduction in their direct influence as a price for maintaining those institutions' credibility. The alternative is a more fragmented system dominated by bilateral alliances – where China is increasingly to the fore. They will also need to put their money where their mouth is, maintaining their position as key financiers of these regimes, and backing up rhetorical commitments on climate finance with hard cash.

Simultaneously, there must be more openness to ad-hoc alliances between likeminded states, in order to circumvent the blocking power of individual states' vetoes in fora like the UN and the COP. That means thinking more deeply about bilateral engagement with regional groupings like the African Union and Gulf Cooperation Council; as well as alliances like the V20 group of climate-vulnerable countries and the Bridgetown Initiative on reforming global financial architecture. The announcement at COP30 of a conference co-hosted by Colombia and the Netherlands on the just transition away from fossil fuels is a recent example of such creative multilateralism in action.

In sum, then, the UK and EU will have to do a lot more with far less. Reinvigorating the multilateral system requires heightened diplomatic and financial commitments at a time when budgets are tightening considerably. And this is where the newfound 'Common Understanding' between the UK and EU comes in. If the UK and EU have fewer resources to spend, they will have to ensure they use them more judiciously and efficiently.

That might mean a more 'à la carte' approach to multilateral engagement – deciding which issues are of highest priority and directing the majority of resources into them. It certainly requires more coordinated action on common causes (for instance joint investment plans on development finance, international partnerships on critical mineral supplies, or a common approach to global rules on AI in healthcare) to maximise impact.

The 'Common Understanding' and 'Security and Defence Partnership' (SDP) can be stepping stones for more coordination in this area. The former contains the promise to establish 'a regular dialogue in the area of development cooperation', to enhance cooperation on international disaster and humanitarian response, and to 'explore the potential to enable exchange and cooperation on health security'. The SDP vows to 'strengthen cooperation and regular consultations on multilateral affairs', including on issues related to the UN, the Organisation for Security and Cooperation in Europe, the Council of Europe, and EU-NATO cooperation. But words must be translated into action, and accelerating progress on these matters could be a major focus at next year's UK-EU summit.

The era of broad-based, consensual multilateralism is over. In a more fragmented and unpredictable system, likeminded partners must be more targeted and strategic in approach in order to maximise their influence. The UK and EU have no more likeminded partners than each other.

# A HISTORY OF MULTILATERALISM

**Ivor Roberts**

Multilateral diplomacy has flourished in the post-Cold War period. But its roots lie in antiquity. The important Greek states and Persia, in the 4th century BC, convened a series of eight international congresses to attempt to resolve their ongoing feuds. Known as the King's Peace, these agreed on a territorial stalemate, with security guarantees and an early attempt to agree general rules for interstate interactions.

In modern times, large-scale multilateral conferences took place infrequently in the eighteenth and nineteenth centuries (Vienna and Berlin being major examples from the nineteenth century). In the twentieth century, the Versailles Conference set a precedent which has been followed ever more frequently. In particular, the multilateral approach to diplomacy has become increasingly common post-1945. The creation of the Bretton Woods institutions – led by the US and the UK – and the United Nations led to the development of a set of global, rules-based relationships on a western model, anchored in political and economic liberalism, as an alternative to continued great power politics. The so-called 'rules-based international order' comprised different sets of rules, intended to foster peaceful, predictable, and cooperative behaviour between states, and to encourage peace and prosperity.

The multilateral approach became increasingly common, and not just in formal organisations within the UN system but as regional and global efforts grew to address issues which went beyond the territory of one state. This led to the development of geographic groupings and arrangements for functional cooperation in areas such as trade, human rights, energy, and many more. Globalisation accelerated these developments as states attempted to mitigate its effects. For instance, money laundering can only be combatted if there is general agreement to enforce measures against it. All states now belong to several multilateral organisations.

Although there is no single definition of multilateralism, it implies the importance of rules, institutionalised collective cooperation, and inclusiveness among the members of the group, who in turn decide on membership. It can also be seen as a technique to foster cooperation between independent states when the transaction costs of a multiplicity of bilateral agreements would be high. So, while multilateral institutions don't supersede states (except in the unique case

of EU law), they do reduce the costs of making and enforcing agreements, help share information about other states' policies, and encourage states to live up to their commitments.

The most common kind of multilateralism is one which sets up an institution, a rules-based international organisation, for example the World Trade Organization. But other kinds emerge from crises - such as the International Criminal Tribunals for the former Yugoslavia and Rwanda, the International Criminal Court, and the continuing efforts to deal with climate change. And then there are systems of supranational law and multilateral governance, as in the European Union and mandatory resolutions from the United Nations Security Council binding on each member state of the United Nations.

The effectiveness of agreements can hinge on the participation of powerful states. The United States, for example, chose to stay outside the Kyoto Protocol on climate change and remains outside the International Criminal Court. Legitimacy is also crucial. This can be assessed either by measuring the results of the organisation's actions (e.g. if the United Nations Security Council's actions produce improved peace and security in a crisis), or by a broad acceptance of its decision-taking by a sufficiently representative set of states.

Today's United Nations has a particular legitimacy, with 193 states. The Security Council can provide legitimacy for the use of armed force in circumstances going beyond the right of a state to self-defence. Ultimately, the United Nations reflects an attempt to achieve a more collaborative, rules-based international system. As Dag Hammarskjöld, the second Secretary-General, put it: 'it was created not to take humanity to heaven, but to save it from hell.' The United Nations seldom acts with the efficiency of a single state, and is often (justifiably) portrayed as slow and bureaucratic. Decisions of the Security Council have to carry the requisite majority and ensure that there is no veto by a permanent member.

Multilateralism in the twentieth century provided institutionalised collective action to deal with security threats, development, human rights, and so on. This century's challenges are greater, more diverse, and in many ways more difficult, demanding, and intrusive. It is not only to combat weapons of mass destruction, but to eliminate terrorism. It is how to meet the threat from climate change and technology including AI. How are the weak and vulnerable to be protected when their own government cannot protect them, or, worse, is itself the agent for their oppression?

Although multilateralism has evolved, it hasn't done so sufficiently. Some states, in protecting their interests by insisting on unanimity, make agreement more

difficult. The EU insists on unanimity for major foreign policy decisions. At the UN Security Council, the veto-wielding 'permanent five' members obviously have more power than others. This has produced a trend of decision-making by qualified majority, as in non-foreign policy issues in the EU, or weighted voting in international financial institutions, and in negotiations to conclude agreement on Law of the Sea issues - which in turn produces a tension for those reluctant to be outvoted.

The rules-based international order is coming under increasing challenge. Its rules are not consistently followed. The United States and Russia in particular are seen as being selective in their adherence to international law despite their role in creating the post-World War II international order. Many perceive it as giving greater benefit to a powerful minority. Autocratic powers are seeking to displace the system and present an alternative approach. In this they are increasingly supported by rising powers of the Global South who resent the order as entrenching the influence of the West. Populist movements and unhappy, distrustful electorates see more disadvantage in global economic integration. The challenge to the order is less one from a single source than from a hybrid collection of factors, which create dissatisfaction among those it was intended to benefit.

As challenges and priorities change, so multilateral institutions must adapt and change further to meet the serious problems they confront.

# THE UNITED NATIONS

**Richard Gowan**

## LONG-TERM CHALLENGES

The UK and the European Union have both been vocal supporters of the United Nations, but the future of their engagement with the world organisation is uncertain. The UN is struggling with challenges including major power rifts in the Security Council, and a severe budget crisis following the Trump administration's decisions to freeze or terminate most of its funding for its activities. British and European diplomats face questions from Global South countries about why they retain significant power in UN forums – including the British and French Council vetoes – when their real-world power has declined.

For all its flaws, the UN system continues to serve British and European interests on many fronts. Blue helmet peacekeeping missions and humanitarian operations have helped contain security crises on the EU's 'southern flank' in Africa and the Middle East. The UN has offered a platform to rally countries from around the world in support of Ukraine since Russia's all-out attack in 2022, with over two thirds of members of the General Assembly demanding that Moscow cease its aggression. UN forums also offer a space in which UK and European diplomats can engage in structured discussions with the Global South on development, global health and climate change.

Non-western critics are also right to charge that the UK and EU members enjoy certain built-in advantages in UN forums that make them beneficial negotiating spaces for the Europeans. In addition to the British and French permanent seats on the Security Council – which has the exclusive right to pass legally binding resolutions on peace and security – European countries typically hold three more seats in the fifteen-member body. This makes it the best-represented region at the UN's top table – Asia gets just three seats, including China's. By convention, European officials also hold top UN posts covering peacekeeping, refugee flows and development, while UK nominees have led the organisation's humanitarian coordination office for two decades.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

Since Brexit, British officials and their European counterparts have succeeded in avoiding major rifts in UN debates. Even during the worst patches of the withdrawal negotiations, diplomats from both sides agreed to keep working closely through the UN. Some European officials noted that their British partners who had previously fought to protect Britain's specific prerogatives in the UN system from EU interference had in some cases become easier to work with on

a pragmatic basis (by contrast, French diplomats became more concerned by the need to assert their special status as a veto power vis-à-vis the EU, to counter suggestions that they 'Europeanise' their permanent Security Council seat).

Russia's full-scale assault on Ukraine created a further impetus for cooperation. Since the start of the all-out war, the EU ambassador in New York has met weekly with his British, French and German counterparts along with the US and Ukrainian representatives to discuss diplomatic strategy. This level of cooperation was not possible over the Gaza crisis, during which the EU split over calls for a ceasefire in the General Assembly, and the UK initially stayed close to the Biden administration's posture of protecting Israel from any UN criticism. But since the Trump administration came to office – signalling a desire to rebuild relations with Russia at the UN – British and European diplomats have doubled down on cooperation as they navigate uncertainty. The May 2025 Security and Defence Partnership between the EU and UK includes a pledge to 'strengthen cooperation and regular consultations' in multilateral bodies including the UN.

But even if the UK and EU cooperate well, they face the reality that the UN system is cracking around them – and they may not be able to save it. The Europeans can achieve little in the Security Council in an era when China, Russia and the US are increasingly willing to use their vetoes to stymie resolutions. Assets like UN peacekeeping are losing value. Moscow worked with Mali to push UN forces out of its territory in 2023, while the Trump administration has insisted that the Security Council agree to close the UN mission in Lebanon – the last blue helmet mission involving significant European units – at the end of 2026. The Trump administration's aid cuts mean that big UN aid agencies like the World Food Programme have had to reduce operations by up to a third this year, and European capitals lack the cash to fill the gaps. Diplomatic efforts to bolster General Assembly in support of Ukraine have had little impact on the battlefield, and many countries that initially supported Kyiv have become more cautious about offending Moscow.

## THE ROLE OF THE UK AND EU

Both the EU and the UK see advantages in staying close to one another in the UN. European officials speak highly of British diplomats' mastery of UN process, and appreciate that London takes a lead on topics of concern to the Union, such as Somalia and Cyprus, in the Security Council. British officials recognise that they can multiply their leverage by working with the EU on questions like UN finances and development policy, on which the bloc's combined economic weight and votes give it significantly greater clout.

However, UN officials are frank that they will have to do "less with less" from now on, and the EU and UK will need to work out what common interests they

can pursue through a battered and shrinking world organisation. In the short term, EU and UK officials will need to work out how to channel their limited resources to UN aid operations and conflict prevention initiatives as efficiently possible. They will also need to stand their ground in debates on basic principles of international law – such as states' rights to territorial integrity – in debates in the Security Council, General Assembly and International Court of Justice, even if they doubt the concrete impacts.

British and European officials should also think about how to triangulate with other regional groups through the UN. The organisation still offers a platform for a range of conversations, ranging from talks on how to reconstruct Gaza with the Arab Group to efforts to work out new approaches to international development with African partners. While the UN's parlous financial situation and worse political straits mean its global role is shrinking, it still offers a useful space for the EU and UK to align their positions on global problems and conduct joint outreach to the rest of the world.

# REFORM OF THE UNITED NATIONS

**Minh-Thu Pham**

## LONG-TERM CHALLENGES

The United Nations has faced calls for reform virtually since its founding. Yet the organisation has proven notoriously difficult to effectively restructure, even as the world around it has changed dramatically. In many ways it is unsurprising that the UN represents a unique management challenge. Ultimately, it is the sum of its membership, and aligning 193 member states - all with different national interests and approaches - on budget, policy, and organisational blueprints is incredibly complex.

And clearly some of the structures that made sense in 1945 when the UN was founded don't look very modern today. The most emblematic of these is the disproportionate influence of permanent members of the Security Council, which holds binding authority over efforts to maintain peace and security. Since the founding, China, France, Russia, the United Kingdom and the United States have held veto power over all decisions made in the Security Council, including, effectively, final say over the selection of the Secretary-General. Their institutional weight goes beyond the Council, however, as key senior leadership positions within the wider UN system are ringfenced for nationals from the 'permanent five'.

Like any other bureaucracy, UN agencies, funds, and programmes often also play a role in the resistance to change. They defend their turf, try to expand their resources and staffing, and push back against reforms designed to limit or streamline their scope. With agreements often relying on consensus among a broad array of stakeholders, it has always been relatively easy for spoilers to torpedo reform.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

Recent events, however, have made UN reform an imperative. Geopolitics are turbulent: armed conflict is at its highest level since the end of the Second World War. The conflicts in Ukraine, Gaza, Sudan, and elsewhere underscore the inability of the UN to be effective when its member states block it from doing so. Russia, the aggressor of the war in Ukraine, continues to veto any UN action, or even effective mediation, to end that conflict.

And last year, when more people went to the polls than at any other time in history, incumbents lost ground around the world as post-pandemic economic and social dissatisfaction continued. In the eyes of some in the Global South, the vaccine nationalism that followed the Covid-19 pandemic pushed the limits of the EU and UK's commitment to international solidarity. Member states did negotiate and agree to a Pandemic Accord in May of this year, including actions to promote equitable access to vaccines.

Then, the second Trump administration ramped up the pressure on the UN even further. The United States has thus far withheld its 2025 UN regular budget contribution, leaving a 22% gap. In response, the Secretary-General has proposed cost-cutting measures, including a 15.1% reduction in resources and 18.8% in the regular budget for 2026, as UN entities addressing issues like climate change, human rights, and women's health face significant cuts in funding from member states. This has created an expectation amongst member states and external observers that there are significant efficiencies to be found but a vision for the path forward is yet to be established. Moreover, as the central architect and guarantor of the post-1945 multilateral order, the current US withdrawal also leaves a leadership vacuum, a 'world minus one'.

Politically and economically, the status quo has become untenable. In response, the Secretary-General has launched 'UN80', a major reform push framed around the 80th anniversary of the UN's founding. The initiative is underpinned by three workstreams: efficiency and improvements, a mandate implementation review, and potential structural changes and programme realignments.

## THE ROLE OF THE UK AND EU

The UK and the EU are well positioned to be important drivers for sensible reform. As Ursula von der Leyen declared in April 2025, "the West as we knew it no longer exists". In a world without US leadership, London and Brussels have a great deal at stake in modernising the system to work for all, in preserving the values expressed in the UN Charter, and meeting operational needs, from healthcare to humanitarian relief, around the globe.

In UN80 negotiations, the EU delegation has emphasised that the reforms must balance the three pillars of the UN – Peace and Security, Human Rights, and Sustainable Development – and retain the institution's normative role. This differs from the 'back to basics' approach being modelled by the United States, that prioritises peace and security over other programmes including climate change and gender inequality.

Together, the UK and EU undoubtedly wield an outsized influence. The UK is a permanent member of the Security Council with a significant diplomatic presence in New York and the other UN headquarters. The EU presents an organised, joint, vision of 27 member states who have a relatively large diplomatic presence, one of which is a permanent member. Across the system, the UK and EU sit on the governing boards of the agencies, funds, and programs, are often among the largest funders, and have numerous nationals in key positions. The EU and its member states are the largest financial contributor to the UN. Working together, a UK-EU partnership can drive and shape the negotiation and implementation of the UN80 reforms.

But to be successful, the UK-EU partnership will need to recognise and encourage the growing influence of the Global South in decision-making. In a multipolar world, they will need to look south to build partnerships with developing countries, be that Brazil, the African Union, India, or the pacific islands and find common ground on the priorities and underlying principles of a renewed UN.

Alone, the UK and EU will not be able to uphold their core interest throughout the UN80 negotiations. With a disengaged US, the UK-EU-Global South dynamic will be central to the passage of reforms. Recent UN agreements, from the Pact of the Future and the Financing for Development negotiations to the Pandemic Accords and Framework Convention on International Tax Cooperation, show the Global South seizing agency after years of under-representation.

A commitment to building a multilateral system with equitable power-sharing, and adequate institutional representation of the voice and interests of the Global South, will go a long way to supporting a renewed system with the existing values at its core – and directly advancing UK and EU interests while doing so. In practice, this involves shifting to models of genuine partnership, where developing countries shape their development priorities, and embracing formal institutional changes that empower Global South engagement in UN negotiations and decision-making.

# THE INTERNATIONAL HUMAN RIGHTS SYSTEM

**Joelle Grogan**

## LONG-TERM CHALLENGES

The International Human Rights (IHR) system encompasses international human rights treaties, beginning with the Universal Declaration of Human Rights, established under the auspices of the United Nations. Further core treaties include the Refugee Convention (1951), International Covenant on Civil and Political Rights (1966), and the Convention Against Torture (1984). UN bodies have mechanisms for monitoring state compliance with their human rights obligations, notably through the Office of the High Commissioner for Human Rights (OHCHR) in the forms of fact-finding missions, expert rapporteurs, periodic state-reporting and states' peer review.

The IHR system has faced significant criticism, since its creation in response to war and fascism, which has challenged its authority. Some states have dismissed the system as a product of western cultural and political traditions, prioritising individualism and civil and political rights, which neither fit nor take account of other cultural or legal understandings. Paired with weak enforcement mechanisms, and accusations of hypocrisy (condemnation tends to be limited to smaller and politically weaker states), there is, simply, a gap between the rhetoric of universal human rights, and the reality.

There are also several regional human rights systems. Most relevant to the UK and the EU is the Council of Europe and its core constituent treaty, the European Convention on Human Rights, which marked its 75th anniversary in 2025. The Council of Europe is constituted of 46 member states, including all 27 EU states as well as the UK. Membership of the ECHR is a benchmark for human rights protection relevant to accession to EU. Accession to the ECHR by the EU itself is also a legal obligation under the Lisbon Treaty to create uniform rights protection. However, despite ongoing negotiations, the EU has not yet acceded due to objections from the Court of Justice of the European Union over its compatibility with their role as the final interpreters of EU law.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

NGOs have sounded the alarm on the 'Trump effect' accelerating damaging shifts in attitudes towards international law and human rights. The US administration has been withdrawing from the international human rights system: undertaking targeted attacks on the International Criminal Court (ICC), reducing UN funding

by over $1bn, and leaving the UN Human Rights Council and the World Health Organization in 2025.

Both the UK and the EU prioritise the promotion of human rights in their foreign policies. The UK has advocated a rules-based international order, which successive governments have considered both a moral imperative and a core aspect of the UK's foreign policy. Likewise, human rights commitments function as an element in EU external policy. Trade agreements with third countries can include human rights clauses as 'essential elements', enabling parties to take action in the event of a serious breach, including the unilateral suspension of trade.

However, rhetoric does not necessarily translate to action. Within both the UK and the EU, the Gaza/Israel conflict has exposed bitter internal divisions over Middle East policy, including accusations of hypocrisy and double standards on human rights violations given the stark difference in tone over that context and the one in Ukraine.

For EU states, human rights concerns appear a second-order priority compared to the economy and defence when dealing with major trading partners like China, or close neighbours acting to limit irregular migration to the EU, such as Libya and Turkey. The pressures of irregular migration, precipitated by conflict and global instability, paired with the increasing success of the populist right, have led multiple EU governments to flag concerns that human rights obligations make it more difficult to remove irregular arrivals. Yet despite simmering tensions, there are no calls in any major EU political party for ECHR withdrawal.

Within the UK, human rights have also been erroneously blamed for the failure of successive governments to manage irregular migration. In addition, the ECHR has been accused of preventing the deportation of foreign criminal offenders (though this has been debunked). In 2025, both the Conservatives and Reform UK announced they would withdraw from the ECHR. Reform leader, Nigel Farage, has also proposed temporarily disapplying the 1951 Refugee Convention, the UN Convention against Torture and the Council of Europe anti-trafficking convention (though these treaties do not allow for temporary suspension). Such action would mark an unprecedented shift in UK foreign policy and abandonment of the international human rights system, as well as a seat at the table to cooperate on multilateral issues.

## THE ROLE OF THE UK AND EU

The IHR system, in tandem with the very concept of a rules-based international order, is facing unprecedented challenge. US withdrawal from collaborative international problem-solving through multilateral institutions leaves a lacuna

in leadership which other countries, with concerning human rights records, have indicated their willingness to fill.

Where human rights protection, along with democracy and the rule of law, are considered key values supporting stable systems, there is space for the UK and EU to show joint commitment to the IHR system, through political engagement with relevant institutions, condemnation of rights abuses where they are evidenced in any country, and the defence of the value of human rights treaties. Engagement and leadership can guide reform of institutions, rather than leaving them to be abandoned, undermined, or radically altered by other actors.

There is wider interest in supporting international collaboration, of which the international human rights system is only one dimension. Were the UK to withdraw from international human rights treaties and the Council of Europe under a Conservative or Reform government, it could result in loss of influence and reputation, not only on human rights and democracy issues, but also in the areas where reform of international systems could tackle key international crises and challenges including migration, climate, and security.

# THE INTERNATIONAL MIGRATION AND ASYLUM SYSTEM

**James Hampshire**

## LONG-TERM CHALLENGES

One of the core challenges facing the international migration and asylum system is the limited and fragmentary character of multilateral cooperation between states. Most migration policies are made at the level of the nation-state and driven by domestic political priorities, sometimes nested within regional migration agreements such as the European Union's migration and asylum policy. The closest thing to a global regime is the international refugee system, based on the Refugee Convention, though state commitment to this system has frayed in recent years.

The obstacles to multilateralism in migration and asylum are deep-seated. Cross-border movements of people touch on state sovereignty and national identity, and there are major conflicts of interest between countries in the Global North and South. In international dialogues, rich destination countries tend to emphasise immigration control and national sovereignty, while countries of origin advocate for migrants' rights and international agreements. The UN Convention on the Protection for the Rights of All Migrant Workers, for example, has been signed by just 60 states, none of them major countries of immigration.

Multilateral cooperation has largely evolved through non-binding agreements, such as the Global Compacts for Migration and Refugees, combined with more formal agreements on a regional scale, such as the free movement areas established by ECOWAS, Mercosur, and the EU. The latter has gone much further than most regional blocs in developing common policies on migration and asylum.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

The prospects for multilateral cooperation have been further diminished by the political backlash to immigrants and refugees across much of the Global North. Over the last decade, the number of forcibly displaced people has more than doubled. Most of the world's refugees are hosted in low- and middle-income countries, bordering the country from which they have fled, but the political debate in rich countries rarely acknowledges this fact. The governments of rich countries have responded to growing numbers of asylum seekers by intensifying border controls and restricting asylum rights to put 'refuge beyond reach'.

In 2015, the Syrian civil war caused the largest movement of refugees to Europe since the Second World War. After an initially welcoming response – Angela Merkel announcing "Wir schaffen das!" (we can do this!) – political backlash and recriminations between states have driven European policies in an exclusionary direction. An 'invisible wall' has been built around Europe to keep irregular migrants and asylum seekers at bay. The EU's response to Ukrainians fleeing Russia's invasion in 2022 revealed a more open stance, but also confirmed the argument that state responses to refugees are shaped by foreign policy and ethnic identity.

Despite harsh border policies, and the election of nationalist and anti-immigrant parties in several member states, immigration to Europe remains high by historic standards. European countries rely on migrants to do low-wage jobs, supply scarce skills, and alleviate worsening dependency ratios. The question of how to reconcile this structural dependence on migrant labour with growing anti-immigrant mobilisation is a challenge facing most governments.

## THE ROLE OF THE UK AND EU

Before Brexit, the UK shared a broadly similar outlook to other member states on issues such as irregular migration. But it kept an arm's length from EU policies, staying out of the Schengen Area and choosing not to opt-in to several migration and asylum directives, though it did participate in the Dublin system. UK and EU interests diverged during the 2015 crisis, from which the UK was largely insulated. The EU sought a mechanism for member states to share responsibility for asylum claims, but the UK did not participate.

Six years after Brexit, there are two main issues in UK-EU bilateral discussions. First, as part of its ambitions for closer relations with the EU, the Labour government began negotiating a youth mobility scheme. It has proceeded cautiously for fear that Nigel Farage's Reform – currently leading in opinion polls – will claim free movement is being reintroduced by the back door. It looks likely that a scheme will be agreed, but there remain unresolved issues between London and Brussels about annual quotas, visa costs, and university fees.

The second, and more contentious, issue is people crossing the Channel in small boats. On leaving the EU, the UK withdrew from the Dublin III Regulation, which places responsibility for processing an asylum claim on the member state of first entry. Prospective migrants in Northern France cite the UK's withdrawal from Dublin as one of their reasons for wanting to cross. According to a former Immigration Minister, if small boat crossings had increased while the UK was still a member of the EU, then about half of arrivals could have been returned.

As small boat crossings continued to increase, it became clear that an agreement with France was essential to reduce numbers. In July 2025, a 'one-for-one' agreement was reached, under which France will readmit people who have crossed the channel in return for the UK taking an equal number of asylum seekers. The impact on crossings remains to be seen. A wider agreement with the EU may be possible, but will depend on how the bilateral agreement works and the political appetite on both sides for further cooperation.

There are some areas in which the UK and EU could work together to shape the international migration and asylum system. They have similar interests, for example, in how the international refugee system might be reformed, and they both seek to co-opt third countries into preventing irregular migration to Europe and facilitating deportations. Operational cooperation on border controls is already happening: in 2024, the UK authorities and Frontex concluded a working agreement on irregular migration and cross-border crime.

If the UK were to leave the European Convention on Human Rights, as both Reform and the Conservatives say they intend to do, there would be wide-ranging consequences. It would at least partly implode the UK-EU Trade and Cooperation Agreement, which commits both sides to the ECHR for human rights protection in security and judicial cooperation, and withdrawal would weaken the UK's standing to advocate for human rights internationally.

This raises a question which looms over future UK-EU cooperation: who forms the next UK government. A general election is not expected until 2029, but a victory for Nigel Farage would spell the end of the current, tentative reset on migration, and much else.

# THE GLOBAL FINANCIAL SYSTEM

**Rosa M. Lastra and Daniele D'Alvia**

## LONG-TERM CHALLENGES

The global financial system, built around the International Monetary Fund (IMF) and the World Bank, has faced persistent structural challenges since the inception of those institutions. At the heart lies a fundamental mismatch between governance structures designed in the 1940s, in the context of World War II and the economic instability of the interwar period, and today's economic realities.

As the nature of the global economy has changed, the mandates of international financial institutions (IFIs) have expanded from monetary stability, development and poverty reduction to a broader range of issues – including financial stability, climate change, pandemics, debt problems and sustainability. The importance of debt, development finance, and climate for the Global South is clear: over half of African countries are either in debt distress or at risk of being in distress, and more than half of Africa's population live in countries spending more on servicing their debt than on health and/or education.

Regional multilateral development banks (MDBs) play a key role as providers of concessionary finance to the least developed countries, offering long-term, low-interest funding tailored to regional development needs and often addressing gaps that global institutions like the World Bank may not be able to cover as effectively. But the proliferation of such institutions can also create fragmentation in terms of lending capacity, coordination, and speed of project delivery.

Uneven representation and voting power is a further challenge. For example, China, despite being the world's second-largest economy, holds only 6.8% of IMF voting rights, while the United States retains 16.5%, giving it effective veto power over major decisions requiring 85% approval. This tension has been visible in debates over IMF quota reform and World Bank voting power adjustments.

There also remain tensions over conditionality – the requirement that recipient countries undertake specific economic reforms or structural adjustments in order to access financial assistance. This is often criticised by debtor countries for being intrusive, insufficiently tailored to local conditions, or socially damaging; while advocated by creditor countries as necessary to safeguard resources and ensure responsible lending.

IFIs today face a structural dilemma: while global/regional in scope, their operations depend on contributions, political will, and oversight from national governments. This creates a tension between their international mandates and the domestic political constraints of member states.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

The last decade has seen a series of geopolitical shocks that have placed international financial institutions (IFIs) under new forms of pressure. The Trump administrations have ushered in a period of greater scepticism toward multilateral cooperation in the United States – historically the most influential member of many IFIs – opposing certain governance reforms and favouring bilateral approaches to economic diplomacy.

The Covid-19 pandemic placed immense demands on the global financial system. IFIs were called upon to provide rapid, large-scale financial support to help countries manage economic shutdown, rising debt burdens, and health system costs. While institutions mobilised unprecedented financing, the crisis exposed significant structural limits: many low-income countries accumulated unsustainable debt, coordination between official and private creditors remains difficult, and the slow pace of debt restructuring has hindered economic recovery in several regions.

Russia's invasion of Ukraine introduced further complexity. IFIs became part of the international response through emergency assistance to Ukraine and support for countries affected by rising energy and food prices. At the same time, geopolitical tensions raised questions about how IFIs should operate in situations involving major-power conflict, sanctions, and contested sovereignty. The fragmentation of relations between Russia and western countries has seeped into multilateral forums such as the IMF and World Bank executive boards, as well as the G20, making consensus more difficult.

Meanwhile, the rise of China as a bilateral lender with great influence in many countries in Asia, Africa and Central and South America, and the development of parallel institutions – most notably the Asian Infrastructure Investment Bank and the New Development Bank – have diversified the global financial landscape. Some view this as enriching global financing options, while others see it as contributing to institutional fragmentation. Either way, China's growing role has intensified debates over standards, transparency, and the degree to which IFIs can act as neutral convening platforms for creditor and debtor countries operating under different political systems.

## THE ROLE OF THE UK AND EU

The UK and EU share fundamental interests in maintaining effective multilateral financial institutions, aligning their financial regulatory systems with international standards, and upholding a rules-based international order that promotes financial stability, sustainable development, and climate action.

The recent improvement in the UK-EU relationship has increased the potential for cooperation in multilateral forums. Before Brexit, the UK participated directly in key EU decision-making bodies which provided continuous and structured channels for shaping positions on international financial institution matters. Since Brexit, these institutionalised channels no longer exist, leaving the UK and the EU needing to find new forms of engagement, which could help amplify their collective influence by aligning their positions and, where possible, coordinating their votes within IFIs.

Climate finance is an important area of aligned interest. Both have committed to ambitious climate targets and recognise that achieving global net-zero emissions requires massive investment in developing countries. This could lead to more harmonised standards and coordinated positions on IFI/MDB reform to prioritise climate lending; however, this potential is tempered by concerns about recent EU backsliding on elements of its Green Deal, as well as the persistently insufficient levels of climate finance provided globally.

The ongoing World Bank Evolution Roadmap, which aims to expand lending capacity through balance sheet optimisation without requiring new capital injections, represents a reform process where UK and EU positions often align. Both have committed to reallocating part of their Special Drawing Rights (SDRs) - the reserve assets issued by the IMF to boost countries' foreign-exchange holdings and support global liquidity. The UK has pledged £4bn and various EU members have made similar pledges - creating scope for complementary approaches that could enhance collective impact.

Governance reform presents complex trade-offs for both parties. While supporting more representative institutions might involve reductions in their current voting shares, maintaining influence through closer coordination could offset individual losses. Moreover, both the UK and the EU have a strategic interest in ensuring that IFIs remain legitimate, effective, and globally trusted: more representative governance structures strengthen the credibility of these institutions, enhance their ability to respond to global challenges, and help prevent the emergence of competing financial architectures that could dilute western influence.

# AID AND INTERNATIONAL DEVELOPMENT

**Mark Miller**

## LONG-TERM CHALLENGES

The principal long-term challenge facing aid and international development is the erosion of consensus around a foreign policy model that advances domestic interests while supporting the development ambitions of recipient nations.

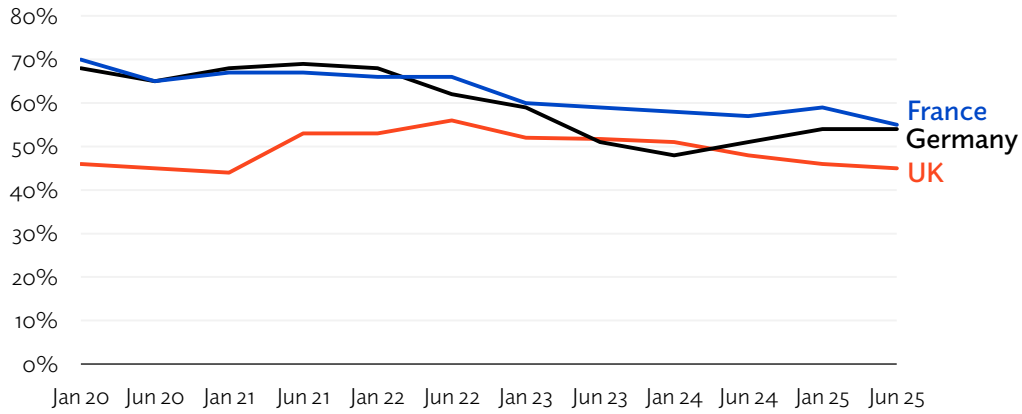
In the post-Cold War era, European aid was justified on moral grounds consistent with faith in globalisation (a vision captured by the UK Department for International Development's 2000 White Paper, Eliminating World Poverty: Making Globalisation Work for the Poor). The model assumed that markets would generate prosperity and that targeted transfers could protect those left behind. Domestically, this logic informed welfare policies such as tax credits; internationally, aid served as the welfarist counterpart to global market integration.

That model now faces two forms of legitimacy crisis. Within donor countries, anti-globalist movements have argued that an 'elite-led' foreign policy is increasingly detached from the interests of working people. Aid has been criticised as emblematic of an approach that prioritises international interests over domestic concerns. While polling shows that European voters are not for the most part actively opposed to aid (see Figure 1); they also show that support for aid is 'shallow'. Aid remains a clear front-runner when people are asked about which areas government spends too much on, despite major cuts (see Figure 2).

**Figure 1: a large proportion of the European public is not actively opposed to international aid**

*Percentage of public which thinks aid budgets should stay the same or increase, selected European countries.*

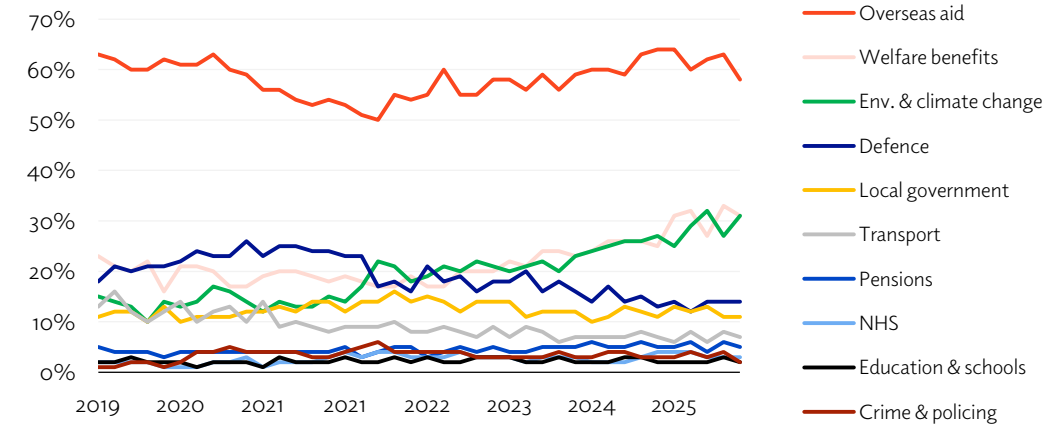
UK IN A CHANGING EUROPE




*Source: Development Engagement Lab, Tracker Survey (2025).*

## Figure 2: but UK polling data on spending cuts shows that support for aid is shallow

*If the (UK) government were to cut spending, in which areas do you think it should reduce spending the most?*

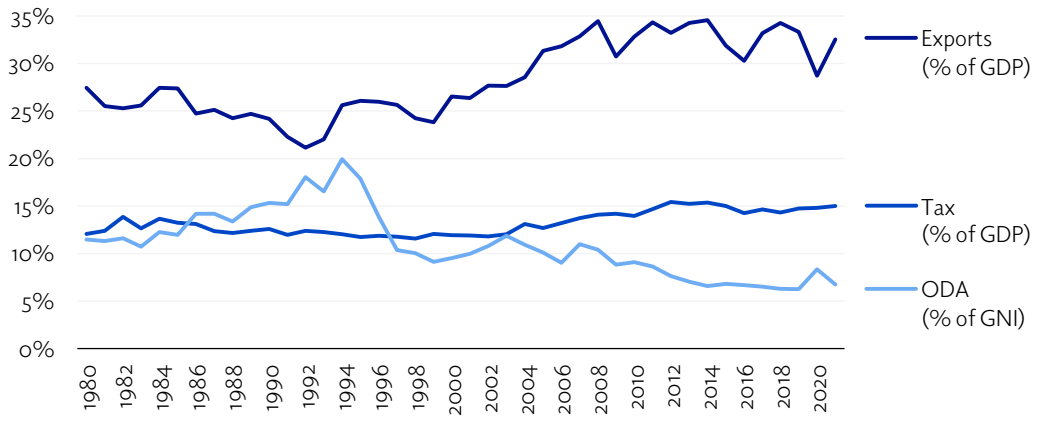



*Source: YouGov, What sector is the UK government spending too much on?*

Within recipient countries, aid is viewed as less necessary. As recipient economies have grown, its relative value – both as source of revenue and foreign exchange – has declined. This is the case even in relatively lower income regions like sub-Saharan Africa (see Figure 3). Meanwhile, emerging powers such as China, Turkey, and the UAE offer alternative development partnerships, using investment to close visible infrastructure gaps while pursuing their own strategic and industrial goals.

## Figure 3: aid flows are of declining importance to sub-Saharan African economies

*Percentage of GDP/GNI derived from selected sources, average across sub-Sarahan African countries, 1980-2021.*




*Source: UNU-WIDER and ICTD Government Revenue Dataset (tax figures); World Bank World Development Indicators (ODA and exports).*

Different constituencies among the foreign policy establishment have struggled to adapt to these challenges. Organisations working within the 'international development' sector remain attached to a more idealistic vision, animated by the belief that aid can still play a catalytic role in producing a fairer global system for people and planet. Other foreign policy 'realists' look enviously towards

the approach pursued by emerging powers where aid more explicitly serves national interests. Initiatives like the European Union's 'Global Gateway' have been introduced with a view to using public monies to steer private investment towards strategic foreign policy goals. But it has proven easier to set ambitious goals than to execute them. The developmental benefits of certain so-called 'win-win' investments have not always been clear (including programmes intended to tackle the root causes of migration).

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

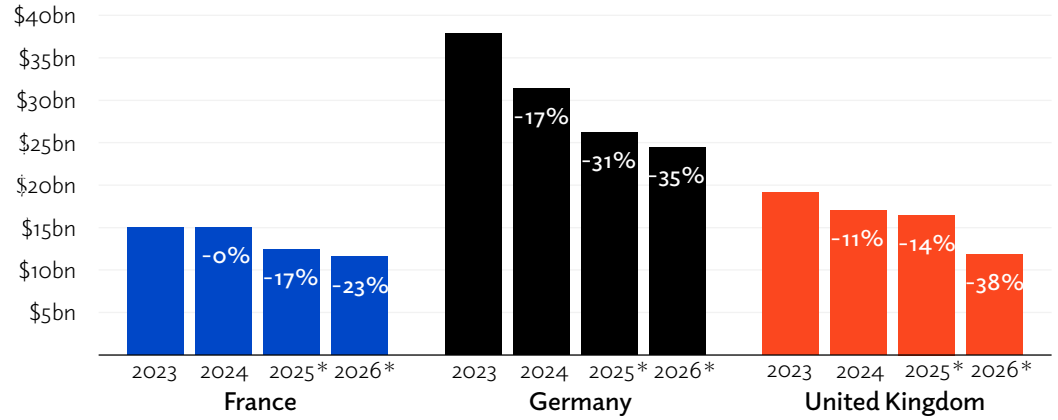
These structural challenges have been compounded by a period of extraordinary geopolitical turbulence. The Covid-19 pandemic, wars in Ukraine and Gaza, the global cost-of-living crisis, and intensifying climate emergencies have reinforced a sense that the world has entered an era of insecurity and disruption.

Political leaders have seized upon the economic pressures arising from these crises as further evidence that 'politics as usual' is failing citizens. Across Europe, governments are attempting to increase defence spending while managing the fiscal consequences of economic stagnation and long-term demographic change. In this context, cuts to aid budgets have become a highly visible signal of shifting priorities (see Figure 4) – symbolically important even if their fiscal impact is modest (see Figure 5).

**Figure 4: Europe's three largest aid donors are making cuts of between 20% and 40% to aid budgets**

*Official development assistance spending for France, Germany and the United Kingdom, 2023 to 2026. Percentages show size of cut relative to 2023 levels.*

UK IN A CHANGING EUROPE

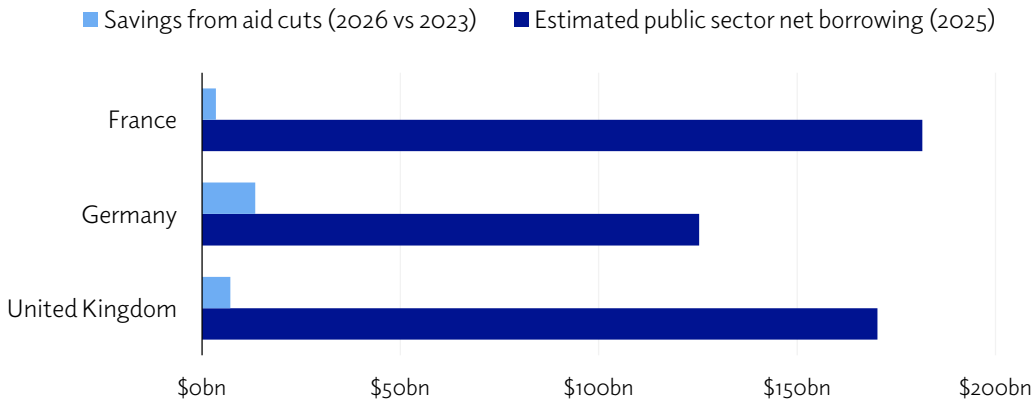



*Source: SEEK Development, The Budget Cuts Tracker. *Figures for 2025 and 2026 are projections.*

**Figure 5: savings generated from aid cuts are small relative to government borrowing**

*Budgetary savings from aid cuts (2023-2026) vs. estimated public sector net borrowing (2025), for France, Germany and the United Kingdom.*

UK IN A CHANGING EUROPE




*Source: SEEK Development, The Budget Cuts Tracker, and IMF Fiscal Monitor.*

At the same time, the moral legitimacy of aid has been further weakened by perceptions of western inconsistency and hypocrisy. The hoarding of vaccines during the pandemic, the contrast between Western solidarity with Ukraine and its muted response to Palestinian suffering, the selective enforcement of restrictions on fossil fuel extraction and shortfalls from certain countries on climate finance promises have all undermined claims to moral leadership on poverty reduction and climate action.

Perhaps most consequentially, the Trump administration's approach to international affairs stripped away any remaining pretence of a values-based transatlantic foreign policy. For many governments in the Global South, the lessons have been stark: alignment with western donors no longer guarantees political returns. If US backing can no longer be assumed – or might even be jeopardised – by adherence to donor preferences, the incentive to dance to the tune of traditional aid partners has markedly declined.

## THE ROLE OF THE UK AND EU

Rebuilding a shared approach to international development will require greater clarity about what the UK and EU seek to achieve through their engagements – and honesty about where their interests genuinely align. There is unlikely to be a revival of aid as a form of international welfarism. The political, fiscal, and geopolitical conditions that once sustained that model have faded. Yet it would also be a mistake for the UK and the EU to view aid purely through a zero-sum, interest-maximising lens. What happens in regions that receive European aid profoundly shapes Europe's own future – economically, environmentally, and strategically.

There remain clear areas where European and British interests converge. Chief among these is the case for broad-based industrialisation in Africa and South Asia – a transformation that would raise living standards, expand markets, and promote global stability. Aid might only have a marginal role to play in that transformation, but it would represent a substantial shift in world-view: aid used less as a sticking plaster than to catalyse economic growth.

It is also in Europe's interests to encourage investment that supports clean energy transitions and avoids locking developing economies into carbon-intensive growth. Even as aid budgets diminish in relative importance, there is a shared interest to protect the hard-won gains of recent decades, particularly in global health.

A further shared interest lies in maintaining the multilateral assets that underpin these goals. International financial institutions (IFIs) continue to play a vital role in enabling investment providing external finance at relatively low cost. IFIs also provide critical financial safety nets during crises when private capital flows can dry up (as illustrated in the wake of the pandemic).

Likewise, the global health architecture – though increasingly complex and fragmented – remains indispensable for managing pandemics and preserving the benefits of previous global health investments. There are benefits from continuing to support a multilateral humanitarian architecture. Ambitious, 'system-wide' reforms may be off the table, but these multilateral assets would be greatly missed by Europe and beneficiaries if they disappeared.

Finally, both the UK and the EU will need to nurture their own financing instruments and vehicles to support a more flexible, 'à la carte' approach to multilateral cooperation. The European Investment Bank, for instance, is not yet fully utilising its balance sheet for development objectives. Similarly, the UK could strengthen its development finance capabilities to complement rather than compete with European mechanisms. Aligning these tools more effectively could allow both sides to demonstrate that pragmatic, partnership-based internationalism can still deliver tangible global and domestic benefits.

# THE GLOBAL HEALTH SYSTEM

**Cosima Lenz and Louise Bengtsson**

## LONG-TERM CHALLENGES

The global health system is a web of local, regional, and international organisations working to improve health worldwide. Over the past two decades, cooperation has been shaped by global agendas such as the Millennium Development Goals (2000-2015) and the Sustainable Development Goals (2015-2030), which set shared targets and frameworks for joint action in health, education, and the environment.

Institutions like the Global Vaccine Alliance (Gavi) and the Global Fund to Fight HIV, Tuberculosis and Malaria emerged in the early 2000s to mobilise funding and accelerate progress on specific diseases. These initiatives helped expand childhood vaccination and reduced infectious disease deaths, and became key engines translating global health ambitions into action.

However, by focusing on specific diseases, the system became fragmented. Many programmes operated in silos with separate staff, supply chains, and reporting, often parallel to national systems. Donor-driven funding limited countries' flexibility, and in some African states, external aid made up about 20% of all health spending, contributing to dependency and uncertainty about sustaining progress once aid declines.

Recent years exposed weaknesses in global health security - the collective ability to prevent and respond to natural and intentional health threats. Covid-19 revealed inequities in vaccine access and poor global coordination, spurring reform efforts culminating in the Pandemic Agreement, a commitment to fairer, more collaborative approaches to future health emergencies.

The global health system has achieved remarkable gains, but it was built for a different era. Today's challenges, from non-communicable diseases and lifestyle-related burdens to climate-related health risks, demand a more flexible, equitable, and resilient system that can adapt to a changing world.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

The most significant factor pushing the system into an urgent reform process is undoubtedly the rapid defunding of global health financing that escalated in 2025.

The United States, historically the largest donor to global health, froze its foreign aid budget in 2025, creating a sixty billion dollar gap. Other major donors, including the UK, France, and Germany, are also redirecting funds toward defence and national priorities. The UK plans to reduce aid from 0.5% to below 0.3% of national income by 2027 while shifting toward multilateral investments and framing itself more as an 'investor' than a 'donor'. Global health funding could fall by as much as 40% in 2025.

These cuts have immediate consequences. Millions of children risk losing nutrition support, women face losing maternal health services, and tens of millions worldwide may go without essential care. Long-term projections warn that reduced US support could lead to up to 14 million preventable deaths, including 4.5 million children under the age of five, by 2040.

The rapid decline in global health funding is pushing low- and middle-income countries to rethink financing for HIV, TB and malaria programs, while addressing new threats like antimicrobial resistance, climate-related health risks and non-communicable diseases. At the 2025 Africa Health Sovereignty Summit, leaders called for stronger national ownership, country-led investment, and greater roles for regional institutions including the Africa Centres for Disease Control and Prevention (Africa CDC) and the African Medicines Agency.

International agencies face growing strain, cutting staff, scaling back operations, and focusing only on essential programmes. The US has reduced or withdrawn funding from key UN health agencies, including the World Health Organization (WHO), UNICEF, UN Women, and the United Nations Population Fund (UNFPA). Their withdrawal has implications for the WHO's diplomatic reach and global coordination on health, revealing the system's fragility. Funding cuts also carry a human cost; UNAIDS estimates an additional 6.3 million AIDS-related deaths over the next four years.

The effect on global health institutions is especially urgent in places facing humanitarian crises, such as Ukraine, Gaza and other conflict zones, where UN agencies and their local partners are often the only ones able to reach vulnerable communities with lifesaving care.

## THE ROLE OF THE UK AND EU

With the US's retrenchment from the global health agenda, it remains to be seen whether the UK and EU will step up.

The EU and UK have strong incentives to collaborate, sharing priorities in health systems, pandemic preparedness, research, innovation, and multilateral engagement. They already cooperate, for example by sharing surveillance and vaccine stock data during a recent UK botulism outbreak.

Their renewed agenda emphasises global health security, including preparedness and response. This could involve coordinating pandemic surveillance and medical countermeasures, aligning funding for initiatives like Gavi and the Global Fund, and leveraging combined diplomatic influence to shape global standards. In times of tighter health budgets, coordinated strategic action is crucial.

Global leadership is not about going it alone, and perceptions of both the EU and UK are still influenced by grievances over the Covid-19 response and, to some extent, colonial legacies. Equitable partnerships remain vital for trust, accountability, and strengthening local systems. The Pandemic Agreement negotiations highlight that success relies on collaboration and fairness.

The EU and the UK could collaborate closely in reforming the global health architecture. While the EU and like-minded donors are reflecting on future directions, the Wellcome Trust has initiated regional dialogues to shape visions for reform, emphasising regional power, justice and fairness, innovation, and cross-sector coordination beyond health.

Artificial intelligence is increasingly important for health, including monitoring and preparing for future health threats. Yet, clear global rules for its use are lacking. The UK is developing its own approach to AI in healthcare, aiming for a more flexible, innovation-friendly framework than the EU's risk-based AI Act, with regulation tailored by sector. Collaboration is emerging through projects like AI Factory Antennas, which link UK and European supercomputers to strengthen partnerships in health and climate. By connecting UK research with Europe's computing power, the UK positions itself to drive AI solutions that are both competitive and socially transformative.

Health knows no borders. If the UK and EU can align their actions they can help advance shared strategic goals in improving global health and health equity, safeguard past progress, and strengthen resilience for the challenges ahead.

# THE INTERNATIONAL CLIMATE SYSTEM

**Luca Bergamaschi**

## LONG-TERM CHALLENGES

The 2015 Paris Agreement forms the central pillar of international climate cooperation, committing all signatories to reach net zero emissions by 2050. In the run up to the agreement, G7 countries led by Germany and the United States delivered the first net-zero commitments at the 2015 G7 Elmau Summit, increased environmental cooperation with China and built a high-ambition coalition with the most vulnerable countries, which was critical in securing agreement in Paris.

Subsequently, successive COPs have addressed the key issue of climate justice, namely addressing loss and damage inflicted by climate change. Tense negotiations eventually led to the establishment of the Loss and Damage Fund and a first set of pledges reaching over €700m at the COP28 in Dubai in 2023.

The 2016 election of Donald Trump effectively drew a line under the era of unquestioned popular support for steps to reinforce international cooperation. Subsequent G7 and G20 meetings were unable to agree conclusions by consensus. Chairs' summaries replaced leaders' communiqués and disputes on key issues, including climate, health, diversity and trade, became the norm. Recent examples include the failure to conclude UN plastics negotiations or agree on decarbonisation measures for maritime transport.

Today, the credibility of the Paris Agreement is at stake as countries face the challenges of translating the agreed rules and targets into coherent policies. Only a few are politically and institutionally equipped to do so. In addition, powerful vested interests have pressured policymakers to protect existing fossil fuel markets. In Europe, this is evident with the so-called 'Omnibus' package, while over the Atlantic businesses offered vast support for the climate-sceptic Trump 2024 campaign.

The UK and the European countries have been partially successful. Since the early 2010s they have adopted policies setting the direction of travel in terms of domestic goals and instruments to achieve emissions reduction in line with international commitments and science. The UK Climate Change Act and what is today the EU Green Deal framework are the backbones of such models.

Another key challenge to both international and national climate systems is that they tend to treat climate change in isolation from other big issues that define contemporary societies, such as defence, financing of public goods, rising inequality and discontent – particularly in the West – and geopolitical competition. Few countries (the UK is one) have included climate risks as a threat to global stability in their national security strategies. European countries also underestimated how decarbonisation could have reduced their dependency on energy from unreliable partners like Russia

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

Even if markets and technology are ripe to deliver 'green benefits', geopolitics might prevent this from happening. Tariffs on solar panels, batteries and EVs risk offsetting the tremendous cost efficiency achieved by those technologies over the past ten years. The much-needed expansion of global markets in green technologies risks slowing down as green technological deployment is blocked by tariffs and policy uncertainty.

The paradox is that, despite existing in the most interconnected era, national politics fuels a geopolitics of sovereignty that still favours borders. Uncoordinated and expensive efforts to rebuild defence systems and 'rearm', as in the case of the EU, risk removing vital resources for rebuilding welfare systems and meeting the investment needs for reaching net-zero by 2050. For example, there is no plan to continue the first-ever EU joint-borrowing programme, the EU Recovery Plan, beyond the end of its cycle in 2026. This programme has dedicated 30% of its funds to climate change.

The effectiveness of multilateralism ultimately rests on whether countries decide to adopt a sovereigntist or cooperative approach to common problems. Recognising that cooperation can help address mutual threats is key to building political support. However, for the EU it will be challenging to identify clear mutual interests with partners like China as long as it remains divided internally between 27 different industrial policies, energy markets and fiscal systems.

## THE ROLE OF THE UK AND EU

Both the UK and EU face increasing cost of living pressures from an expensive dependency from imported fossil fuels; and are exposed to external security threats at their immediate borders.

How can the UK and EU find ways to demonstrate that multilateral agreements work for ordinary people? The answer lies in turning international commitments and rules, such as the Paris Agreement framework, into national governance and policy frameworks that deliver 'material and popular' benefits for all. For example, by crafting electrification strategies for their respective economies,

which learn from and link to one another; investing in gas-free social housing; reforming energy markets so that the benefits of cheap renewables are passed on to consumers; expanding offshore wind and interconnections in the North Sea; and electrifying low-heat industrial processes.

The EU and UK should be more explicit in acknowledging the link between climate change and geopolitics. If they want to reduce their vulnerability to geopolitical blackmail, they need to lower their dependence on fossil fuels. And as defence investments become a priority, they need to work together to spend more efficiently to reduce environmental impacts from the extraction of raw materials to the end-of-life disposal of equipment. They could also agree and support common rules for green lead markets, the trade for green technology and the procurement of critical materials, in particular vis-à-vis China. But coordination should not just happen between the EU and UK. COPs and the governing boards of multilateral development banks will be important fora for this kind of coordination and rebuilding relationships with the Global South.

As far as the relationships with Global South countries go, the UK and the EU need to fundamentally find solutions that balance the need to renew their own economies and build strategic autonomy without reverting to fully-fledged protectionism that would hinder the development of other countries. For example, when it comes to industrial products such as steel, chemicals and cement, a key question for the UK and the EU is how much are they willing to produce at home, as opposed to relying on cheaper imports and more productive investments abroad.

The opportunities for collaboration are numerous along those lines. In the face of rising geopolitical pressure, the UK and EU have an opportunity to rethink their prosperity and security model fit for the 21st century, including demonstrating in material terms the benefits of multilateralism to their electorates.

# THE COP SYSTEM

**Elise Larkin**

## LONG-TERM CHALLENGES

The catchily-titled Conference of the Parties (COP) to the UN Framework Convention on Climate Change is the main forum within which nations negotiate plans to reduce emissions to mitigate climate change and adapt to its impacts.

Since the Paris Agreement in 2015, where countries agreed a goal of limiting global warming to 1.5°C, the climate COP has grown in stature and political salience. The 'World Leaders' Summit', typically held in advance of the formal negotiations, is often now attended by G20 premiers and S&P 500 CEOs, though this year's COP in Brazil did not attract such a crowd.

Western powers have tended to focus on decarbonisation. This drive to mitigate the future impacts of climate change by agreeing ambitious targets to slash emissions, particularly from the energy sector, has been met with resistance from low- and middle-income countries who see these goals as restrictions on their economic growth and development. After all, the UK 'going clean' at this stage is a different proposition to getting India off coal.

Bill Gates ignited debate recently when he challenged leaders attending this year's COP to prioritise human wellbeing over short-term emissions cuts. The truth is we must do both: the international scientific consensus is that there is no way that the world will avoid catastrophic impacts if countries collectively do not begin to bend the emissions curve. Equally, Global South nations will not forgo the opportunity to exploit their natural resources to support development for their people.

Thus, climate change is no longer a 'future problem'. As global temperatures rise, the question of who will pay for the resulting losses and damage suffered by countries, particularly in the Global South, and how we confront the global challenge of adapting to a warming world have risen up the agenda. In the end, the COP system faces two long-term challenges: finance and accountability.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

As ever, the US casts a long shadow over the talks. Rejection of anthropogenic climate change by the world's largest cumulative emitter provides cover for other major polluters to disengage. We are already seeing this, with the recent collapse of talks on a global net zero shipping framework that had been years in the negotiation at the International Maritime Organization. The process only works if

nations know that they will be held accountable by their peers to show up, make commitments and stick to them. That accountability is now in shorter supply.

Turning to finance: at last year's COP, governments agreed that developing countries need $1.3tn of climate finance per year by 2035. Only a fraction of this can come from Global North taxpayers, particularly in an era of vanishing aid budgets. The dismantling of USAID and cuts across other traditional European donor countries risk hampering climate action in recipient countries across all sectors.

Major public funders of climate action are increasingly proposing to stack different types of financing: mixing limited public grants, loans, philanthropy and private investment. However, getting different actors to work together, particularly in less established markets where climate finance is most needed, is tricky. The fractional slice of public climate finance is getting smaller before the other parts of the stack are really set for scale.

## THE ROLE OF THE UK AND EU

The UK and the EU have both invested significant resources and political capital into the COP process, and the decarbonisation of their economies has been deeply interconnected. They set stretching domestic targets, and then used these to push for more ambitious outcomes globally with notable success, including at COP21 in Paris. This continued after Brexit, when the UK hosted COP26 in Glasgow 2021 and secured agreement for the first time to phase down unabated coal power.

Unlike in some other multilateral fora, because COP is held under the auspices of the UN, the leader of the Maldives theoretically gets the same say as the leader of the US, China or Brazil. As a result, the UK and the EU have previously found success in working with coalitions of the climate vulnerable such as the Alliance of Small Island States, to create political pressure to achieve more ambitious emissions cuts. It is unclear whether this will continue to be a winning strategy in this era of heightened geopolitical tension.

It is worth noting, too, that the domestic picture is changing. Much of the civil society architecture that has built and sustained the COP process has its roots in Brussels, Berlin, Paris and London. However, the UK and the EU now face increased political polarisation, with the right in many European nations rejecting domestic climate action. This shift was evident in how EU countries struggled to reach agreement on their 2040 emissions target ahead of this year's COP.

As we move from government commitments to implementation in the real economy, an era of enhanced trade cooperation between the EU and the UK will likely necessitate increased alignment on environmental policies and rules like

carbon pricing. This type of regulation, intended to drive cleaner production in countries who trade with the EU and UK, could create increased friction with those countries, which would also play out in the COP process.

In spite of the pressures, in this moment of instability, the EU and the UK can work together to provide a counterbalance. At a minimum, to retain trust and some momentum within the COP process, they must continue to reduce emissions at home and step up with the international climate financing they have already promised to emerging economies. The decisions being made now in the Global South around exploitation of oil and gas and critical minerals, and preventing deforestation, are critical to the future stability of our climate.

A more ambitious approach would be to actively participate in solutions and financial innovations put forward by Global South countries. An example is President Lula's Tropical Forests Forever Facility, an investment vehicle where part of the return pays countries to keep their forests standing. Leadership like this could help ensure the continued functioning of this imperfect forum. After all, it is the only one we have.

# THE G7 AND G20

**Andrew F. Cooper**

## LONG-TERM CHALLENGES

While many formal international organisations (IOs), notably the UN and the World Trade Organization, have seen their influence wane, informal institutions such as the G7 and the G20 continue to play a pivotal role. They have deficiencies (a lack of formal charter or physical base) but enjoy the advantage of offering the ability for a small group to convene at leader level and address policy issues.

This is true of the G7, made up of advanced industrial states (the US, the UK, France, Germany, Italy, Japan, and Canada). Although facing serious challenges – externally with of the ascent of rising powers (China, India, and Brazil) and internally (with Trump's 'America first' approach) – the G7 has remained relevant on key issues, above all with respect to a collective response to Russia's 2022 invasion of Ukraine.

It is also true of the G20, the summit process made up of both G7 countries and a variety of others from across the BRICS (Brazil, Russia, India, China, South Africa) and a disparate array of 'middle powers' (including Australia, South Korea, Turkey, Argentina and Saudi Arabia). The G20 has operated at heads of government level since the 2008 financial crisis. While no longer exhibiting the character of a crisis committee, it stands out as the singular forum for leaders to meet as peers across the geopolitical divide: with some considerable space for the host country to prioritise issues. In its role as president during 2025, culminating in the November Johannesburg summit, South Africa placed the focus on strengthening disaster resilience, ensuring debt sustainability for low-income countries, mobilising finance for a just energy transition, and harnessing critical minerals for inclusive growth.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

No formal international organisation has escaped attack from the American President. In contrast, Trump's attitude towards informal institutions appears permissive; but erratically so. On specific cases, Trump has backed away from support of the informal institutional option, as demonstrated by his decision not to attend the November 2025 G20 in South Africa, due to widely discredited claims that white people are being persecuted in the country.

But this is the exception to the rule, with Trump's generalised support for informality resting on his preference for a freewheeling, transactional style. Informal institutions offer ad hoc sites to do business deals and opportunities

to selectively reward or punish host countries and leaders. And, as indicated by Trump's choice of his own golf course in Doral, Florida, as the site for the December 2026 G20, they provide a different setting than New York, or certainly Geneva, with the potential for personal commercial advantage.

The G7 has already demonstrated value as a site of UK-EU cooperation in the Trump era. Sanctions on Russia provide an illustrative case, with the existence of regular coordinator forums developed over time, which brought together senior officials from the UK and the EU in the context of the G7.

The main challenge for both the UK and the EU is to keep the US engaged in the G7 and G20 processes without being overwhelmed by US-centrism. The G7 minus the US (effectively a G6) can improvise on communiqués and other operational matters. But over time there will be an inevitable erosion of collective like-mindedness. To engage Trump there needs to be a focus on agenda priorities that align with his interests, both on substance and with reference to the other countries invited around the table. That might mean, for example, bringing Gulf states into discussions of energy security and the sustained inclusion of Australia, Brazil, India, Mexico and South Africa on issues around critical minerals.

A need for adaptation and resilience because of Trump's unpredictability is also essential. One signal about this type of required adjustment came at the 2025 Kananaskis summit: when the US President's early departure - to concentrate on the Iran-Israel crisis - meant that he was not at the session with invited leaders from Australia, Brazil, India, Mexico, South Africa and South Korea with a particular focus on energy security.

It is also imperative that UK-EU coordination efforts extend just as consciously to the G20. As it stands, there is good reason to be optimistic, in that the UK and the EU have shown signs of coordination regarding their positions on South Africa's 2025 G20 presidency.

## THE ROLE OF THE UK AND EU

Notwithstanding the central role of the American President, there are risks if the UK-EU response is simply to try to 'manage' Trump on a restricted self-help basis. Such an approach has connotations with 'concert' diplomacy, where great powers focused on their own interests without due consideration to a wider constellation of countries.

A key objective for the UK and the EU is not just to build up levels of coordination but to amplify the level of public diplomacy around it. Both institutions deal with highly salient issues that engender a great deal of

contestation. There is real political value in demonstrating that the UK and the EU have shared interests: on Russia/Ukraine, energy security/critical minerals, and potentially on a Middle East peace plan.

Similarly, some degree of shared engagement on collective activity focusing on the Global South via the G20 appears to be attractive from a political and policy perspective. There is a need for the UK and the EU to be committed by actions, not just declarations. Potential joint initiatives abound: the prioritisation of digital public infrastructure, disaster responses, and a push for vaccine equality, to name just a few. And in terms of procedures moving forward, rather than a concentration on initiatives such as the EU-South African summit in March 2025, a valuable recalibration would be to have a joint (public) EU-UK consultative meeting related to future G20 summits.

In overall terms, a recognition is required that embedded informal summitry poses an alternative to – not a path to restoring – the fixed set of rules integral to the international order that have long been eroded. As such, the central test for the G7 and G20 going forward in the context of UK-EU relations will not be the measure of compatibility with multilateralism, but how this different institutional model can lever enhanced coordination, and to be seen as doing so by countries within and beyond the West.

# THE WORLD TRADE ORGANIZATION

**Dmitry Grozoubinski**

## LONG-TERM CHALLENGES

In a series of negotiations dating back to the 1947 General Agreements on Tariffs and Trade (GATT), leaders agreed on a set of rules for international trade. These rules were a compromise. Governments vowed to limit their interventions in cross-border commerce in certain ways, in exchange for similar commitments from others.

Their goal was to liberalise trade wherever politically palatable, make it more predictable, transparent, difficult to use as an extension of day-to-day transaction diplomacy, and to create structured processes to resolve disputes inevitably arising from a messy global marketplace.

An initially western consensus driven by a need to rebuild Europe after the devastation of World War II, and to create a unified opposition to the Soviet Union, it was eventually accepted (with varying levels of enthusiasm) by the vast majority of states worldwide.

The World Trade Organization (WTO), born from an expansion of the GATT in 1994, is a multilateral institution designed to help monitor the implementation of these rules, negotiate changes or expansions to them, and adjudicate disagreements about adherence. While it has never been smooth sailing, it is now common to hear the WTO referred to as 'in crisis'.

WTO negotiations to expand the rules and liberalise more of global commerce have consistently fallen short of the consensus required to do so. Finding a formula or approach to liberalising tariffs, agricultural subsidies or services acceptable to the full membership has proven impossible, and is only becoming more difficult as more large market players emerge. The last remotely hopeful attempt was in 2008.

The dispute settlement function of the WTO was, at the time of its creation in 1994, something of a legal miracle - a binding, mandatory form of dispute settlement able to award judgements with billion-dollar commercial implications. In 2019, as a result of a US veto on appointments to its Appellate Body, it ceased to be quite so binding or mandatory, but remains a useful tool for amicable and procedural dispute resolution among the majority of states.

## IMPACT OF RECENT GEOPOLITICAL DEVELOPMENTS

Perhaps the greatest challenge facing the WTO has been a gradual erosion of investment in the underlying trade-offs which its treaties entail. The rules focus on predictability, stability, efficiency and a level playing field for exporters – increasingly, in capitals like Brussels, Beijing, and Washington D.C., other priorities are eclipsing these objectives.

National security concerns are leading to the championing of chosen industries and suppliers; industrialisation and re-industrialisation priorities have made subsidies, tariffs and requirements to use locally sourced components popular again; and strengthened environmental regulations in areas such as the EU have led to border restrictions like carbon adjustment taxes.

The Trump administration has turbo-charged this shift. The US President considers policy agility more important than long-term predictability. He has adjusted tariffs almost weekly, on a country (and even company) specific basis in violation of the WTO's core tenets. In response, others including the UK and EU have effectively violated at least the spirit of WTO rules by agreeing to lower tariffs for the US (and only the US) without negotiating a true and comprehensive free trade agreement.

Flagrant disregard for its rules by the world's largest economy is significantly damaging for the WTO, but may not be fatal. To date, we have yet to see other countries adopting US tactics with one another.

## THE ROLE OF THE UK AND EU

The reasons for this help explain why countries like the UK are so invested in the WTO. In order to use one's trade policy as a direct bludgeoning tool of transactional diplomacy, you need an economy that is significant enough to others that loss of access would pose a credible commercial threat, and independent enough that it can withstand retaliation. There are very few countries in that weight class, with the US, EU and China probably being the only serious contenders.

The UK, despite its G7 status and role as a global finance hub, is not. It benefits therefore from a system where disputes are settled at least partially through legal interpretation of past commitments by experts, rather than bilateral wrangling or tit-for-tat tariff escalation.

The EU, with its larger consumer base, is at least on paper better equipped to navigate a might-makes-right trade world without the WTO. In practice, however, complex governance arrangements and competing interests within the bloc limit its practical capacity and political appetite for this kind of brawling. It's also, at

the DNA level, inclined to support consensus-building, rules-based systems, and undermining those structures risks damaging its own geopolitical credibility.

Unfortunately, yearning for a rules-based order does not make it so. The UK and EU have already been forced to push the envelope to breaking point in their own reactions to US policy. But there are a number of steps they could take to buttress the underlying system.

First, they could lead by example and avoid turning WTO-inconsistent trade measures upon third parties - resisting the temptation to raise and lower tariffs on a whim. There are also diplomatic signals that could be sent to other states contemplating derogations, including full-throated condemnation, the potential suspension of trade agreements or pausing of negotiations, and difficult conversations among leaders or ministers.

Second, they could look into institutional reinvestment in the parts of the system that do work well. The WTO committee structure, skilled secretariat, regular meetings, dedicated government officials and underlying rules are strong but underutilised arrows in the quiver of anyone trying to resolve challenges at foreign borders. The UK and EU could continue to build business awareness, and improve the pipeline that brings concerns to the WTO for potential resolution, and expand on the use of mechanisms like the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) which helps resolve disputes in the absence of a functioning Appellate Body.

Third, given the crisis is reminding everyone of why we agreed rules to limit unpredictability, there may be opportunities to lay the groundwork for a revitalisation discussion. If, under future administrations, the political landscape in the US changes, a brief window may open to renegotiate and rethink the WTO. Should it appear, that window won't be open long and the work to envisage what climbing through it looks would need to begin today. The UK and EU are well placed to help energise it.

UK in a Changing Europe promotes rigorous, high-quality and independent research into the complex and ever changing relationship between the UK and the EU. It is based at King's College London.

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