



Closer Franco-Spanish Cooperation Remains a Challenge

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The tightening of Franco-Spanish cooperation reflects France's search for a permanent ally with similar interests in European politics and the need to ease tensions between the two countries that have arisen in recent years. Signed at the Barcelona Summit on 19 January, the bilateral treaty provides, among others, for closer coordination of the two countries' energy, industrial and trade policies. Although the treaty was concluded at a time of marked weakening of the Franco-German tandem, strengthening cooperation with Spain will not replace the partnership with Germany, which is a critical factor for France's European policy.

The Treaty of Friendship and Cooperation with Spain is the third agreement of this type concluded by France with European countries, after the treaties with Germany and Italy. For President Emmanuel Macron, it creates an opportunity to diversify allies in the EU, on the one hand, in the face of numerous disputes with Germany regarding energy and fiscal policy, and on the other hand, in the face of growing differences with Italy over migration issues since the appointment of the right-wing government of Giorgia Meloni. In turn, Spain sees closer cooperation with France as an opportunity to develop its own strategic sectors, especially the energy sector, and to increase its influence at the European level. The implementation of the treaty is also intended to resolve existing disputes arising from, among others, the closure of some border crossings with Spain by France and the limited development of cross-border rail connections or electricity interconnections. In European policy, cooperation for [reconfiguring the European energy architecture](#), reaching an agreement on the conclusion of a [free trade agreement with the Mercosur countries](#), and a common approach to rebuilding the European industrial base will be essential for strengthening the ties between the two countries.

Europe's Energy Autonomy. Spain promotes the development of renewable energy, though remaining dependent on gas, while the basis of the French energy mix

is nuclear energy. France is seeking the recognition of nuclear energy in the EU as green energy, which is opposed, among others, by Spain. Differences between the two countries could also be seen in the directions of development of the European energy infrastructure, as exemplified by the plans to build the MidCat gas pipeline, project supported by Spain and Germany. Its implementation was eventually abandoned. It was to transport natural gas from Spain and northern Africa to Central Europe. France opposed the investment, which could strengthen Spain's position as a European energy hub, pointing to its excessive cost, long construction time and lack of justification due to the existing two interconnectors between France and Spain.

Despite differences, the chances of strengthening French-Spanish cooperation in the field of European energy policy are increasing. This is related to the challenges brought by Russian aggression against Ukraine and the need for profound changes in the EU's energy and climate policy. Both countries agree on the need to accelerate renewable energy development, reduce dependence on fossil fuels and diversify energy supply sources. These plans are part of the new H2Med subsea hydrogen pipeline project announced in October 2022. It is to connect Barcelona and Marseille, with the prospect of extending the transmission to Berlin and only transporting green hydrogen. As the first hydrogen corridor

of this type in the EU, it is to have a transport capacity of up to 10% of the EU's hydrogen demand projected for 2030. Exports via the H2Med corridor can account for more than two-thirds of Spain's annual domestic production, significantly increasing energy supplies from the Iberian Peninsula to the rest of Europe and becoming a critical actor shaping the EU's energy autonomy. A joint hydrogen project may help to overcome the existing disputes over the atom.

H2Med has a chance for EU funding as an [important project of common European interest \(IPCEI\)](#). Four gas transmission system operators (Spanish Enagás, French GRTgaz and Teréga, and Portuguese REN) will be responsible for its development. Doubts are raised primarily by the uncertainty regarding the total costs of building the pipeline and the scale of future hydrogen demand in the EU. Thanks to the investment, France wants to maintain its leading position in the European energy market in the face of [problems in its domestic nuclear energy sector](#) and to increase its own commercial potential by expanding related infrastructure, especially in Marseille and Lyon, thanks to the HY-FEN corridor transporting hydrogen from the south of France to the border with Germany. HY-FEN will allow faster decarbonisation of major industrial areas. In parallel, Teréga intends to develop the HySoW project, a low-emission hydrogen storage and transport infrastructure that will enable the development of industrial hubs in the Occitania and New Aquitaine regions.

Cooperation in the EU's Industrial and Trade Policy. France and Spain agree on deepening the single market and preserving its integrity and resilience. This is particularly important for France in the context of the controversial [US Inflation Reduction Act \(IRA\)](#) introducing subsidies for green technologies for companies operating in the United States. Spain has so far presented a similar position to France on the European response to the IRA, claiming that it will be necessary to reform internal aspects of European industrial policy related to state aid, bureaucracy, [subsidies for green technologies](#), as well as measures to attract foreign investment. France counts on a partnership with Spain to increase the contribution of European industry to the EU's GDP, accelerating the reindustrialisation process and developing joint industrial projects.

As part of the Spanish presidency of the Council of the European Union in the second half of 2023, the government declared that one of its priorities would be strengthening the EU's strategic autonomy. In addition to supporting the reindustrialisation and diversification of raw material suppliers, this also means for Spain to strengthen trade

relations with Latin America and the Caribbean. Therefore, the issue of France's consent to the conclusion of a free trade agreement with the Southern Common Market (Brazil, Argentina, Paraguay, and Uruguay) remains problematic in bilateral relations. France opposes the agreement and is blocking it at the EU level, demanding additional commitments from the Mercosur countries regarding sustainable development and reducing deforestation, while Spain wants to conclude it by the end of the year for political and historical reasons. The official position of France points to the need to protect the environment and food safety, while the interests of native agri-food producers are not without significance. In June this year, the French parliament passed a resolution calling on the government to oppose the current wording of the agreement. Opponents argue, for example, the risk of social dumping. They argue that importing goods produced under lower environmental and ecological standards will mean unfair competition for European farmers.

Conclusions. Strengthening ties with Spain will be necessary for France, above all in EU policy, as it will seek broad support for its proposals, especially in fiscal, industrial and trade policy. It will also be a form of creating a counterweight to Germany. However, due to the scope of economic ties and importance in the EU, [policy coordination with Germany](#) will remain the primary objective in relations with European partners for France.

On the other hand, French-Spanish cooperation may be the main driving force for deepening the single market, and in the long term, it will strengthen the security of supply and flexibility of the entire energy system in the EU. Implementing the H2Med project will be an essential measure of the effectiveness of French-Spanish cooperation. The biggest challenge will be to change the Spanish approach to nuclear energy and convince France to soften its position on the agreement with the Mercosur countries. Spain will strive to gradually strengthen its position in the EU to correspond to the potential of the fourth EU economy. Close cooperation with France is one of the crucial elements in its long-term plans to increase its influence in the EU.

The treaty's purpose is to structure and intensify the dialogue between the two countries. Since its conclusion, the number of bilateral meetings and intergovernmental consultations does not indicate increased efforts by both sides to coordinate particular policies. However, this may be related to the greater focus of the Spanish government on domestic politics in the context of early parliamentary elections in July this year.