

وَيُنْقَلُ بِعَدْلِكَ الْأَيَّامُ حَظْرِي وَيُنْقَلُ كَاهِلِي شَوْقًا وَشَوْقًا
أَجْسُ كَأَنَّ بَعْضِي قَدْ تَهَاوَى وَأَنَّ الْقَلْبَ بِالْأَشْجَانِ شَقًّا
(روضة الحاج محمد عثمان)

YOUR DAILY ARABIC PROVERB

After you, the passing days burden me, and fill me with longing. I feel that a part of me has collapsed, and my heart has been slashed by sorrow.

Rawdha Al-Hajj Muhammad Othman
(Sudanese poet)

Opinion 2021

TOMORROW
Ramzy Baroud on a new generation of courageous Palestinians offering unity, identity and hope.

Europe's climate diplomacy heats up

Having done so much to elevate the global climate debate to the highest levels of diplomacy, the EU and key member state governments will soon be confronted with a fundamental paradox. The world's prime mover and norm-setter on climate change is heading into a year of bruising and protracted political struggle to realize its own climate ambitions.

On July 14, to little fanfare, the European Commission unveiled one of the most important climate policy responses since the signing of the Paris agreement in 2015. The commission's "Fit for 55" plan offers a bold blueprint for reducing greenhouse gas emissions by 55 percent by 2030, on the way to reaching net-zero emissions by 2050. With a precise set of policy proposals adapted to different geographies, social systems, energy mixes and wealth levels, the plan is truly impressive, demonstrating clearly how the European Green Deal will work in practice.

Unlike its American counterpart, the European Green Deal was not born of grassroots activism. Though it is a response to demands supported by voters in the last European elections, it is an initiative rooted in the EU's executive branch. Much to its credit, the commission has managed to mobilize the necessary technocratic and legislative expertise faster than any other institution in the world. And because the EU's Green Deal will define economic policy in the world's largest single market, it has the potential to establish new norms globally, shaping the contours of the future net-zero economy.

The EU has exerted this kind of soft power for years in vehicle emissions, appliance efficiency and many other critical areas. As the Green Deal continues to take shape, this "Brussels effect" could plausibly extend to other technical issues, such as electric vehicle standards, thereby hastening the world's move away from the internal combustion engine, in conjunction with Europe's targeted 2035 phaseout of non-electric vehicles.

The Fit for 55 package is both concrete and already funded, at least in its early stages. Together with the EU's goal of achieving a 40 percent share for renewables in its energy mix by 2030, the plan's emissions targets send a clear signal to other advanced economies: They must also think bigger and raise their ambitions.

The EU is also a global leader in sustainable finance. Its taxonomy for sustainable activities will provide urgently needed clarity on what counts as a "green" investment. By codifying new standards, the EU taxonomy is likely to influence capital markets globally.

European diplomats have long excelled at encouraging other major powers to step up their own climate ambitions. In this sense, implementing the Green Deal will be a major test for Europe. With Sino-American tensions at an all-time high, it remains to be seen precisely what role Europe will play in the next phase of climate diplomacy. Much will depend on whether it can muster a single, integrated European voice, rather than passively relying on its member states' existing bilateral and trade ties. To use its weight on the world stage, Europe must act as one bloc. But can it?

For the first six months of 2022, France will hold the European Council presidency (coinciding with its own presidential and legislative elections in April and June, respectively). Its success will require a delicate touch to balance different interests and to adjust to outgoing German Chancellor Angela Merkel's departure from European politics. Among France's top duties will be to champion the Fit for 55 package at home and among member states. To "bring the Green Deal home," it must help translate the commission's targets across a broad array of domestic political contexts.

Navigating these political challenges will not be easy. But European leaders should remember a simple proposition: The Green Deal is an invitation to rethink the social contract. Rather than being imposed as a one-size-fits-all policy, the Green Deal should be presented as a deal between citizens themselves. Because it calls for legislation, it represents an opportunity for open debate on critical issues of social justice and equity. Meanwhile, the tide of support for climate action only keeps swelling. Tellingly, a recent poll in France showed nearly nine in 10 right-wing voters believe the environment is a cross-party issue, adding to a cascade of similar findings across the continent.

One model to be considered is France's Citizens Convention on Climate, which was



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organized as a response to the "gilets jaunes" (yellow vests) protests in 2018. While the French government's commitment to the convention's proposals has been uneven, polls show that virtually all of them are supported by most of the country. In this outcome, we see the obvious institutional obstacles that must be overcome, but also the untapped potential. Other like-minded efforts, including in Ireland, Scotland and beyond, as well as a forthcoming global initiative, are further signs of momentum for democratic innovation.

As the energy crisis ensnaring much of Europe has shown, anxiety about carbon pricing is already high, even when it has contributed only marginally to the problem. The implementation of Fit for 55 will raise these issues time and again. Policymakers will be confronted with hard questions and trade-offs whenever higher carbon prices are extended to sectors that affect citizens' wallets directly, such as transportation and heating. Combine these challenges with the task of reskilling entire segments of the European workforce, particularly in more fossil fuel-intensive economies, and one can already see the contours of Europe's coming political battles.

At the heart of the issue is the debate over borrowing and debt. Managing common debt and member state sovereign debt will remain one of the most important — and difficult — political issues on the European agenda. As the clouds of the pandemic begin to part in Europe, there will be pressure to return to the previous fiscal rules limiting member state debt-to-gross domestic product ratios. The

battle lines have already been drawn. While countries such as France, Italy and Spain favor loosening the rules, a "frugal" bloc — led by Austria and supported by the Netherlands, the Czech Republic and Sweden — strongly opposes such revisions.

At any rate, continued economic growth in Europe will need to look quite different from what is envisaged in today's models. A net-zero model raises many important questions. What will the new growth path look like? Will private consumption have to fall? Will investment, especially public investment, play a larger role? If so, where will those resources come from?

Clearly, European governments will have to reconcile an investment program capable of implementing the Green Deal with a viable plan for deficit consolidation. That means we will need to reconsider the very meaning of borrowing and debt, starting in the year to come.

At the height of the COVID-19 crisis, EU member states showed true solidarity with one another in their commitment to boosting public spending, much of it financed with mutualized debt. The recovery fund was a historic breakthrough. But the political contest ahead will test Europe further — by orders of magnitude.

There is an obvious case to be made for excluding climate investments from the debt-to-GDP calculation and for rethinking short-term fiscal rules when the real priority is to preserve the planet for future generations. The net-zero transition is an extraordinary challenge. But it is also Europe's moment to shine. Let us make the most of it.

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