

# Climate and COVID-19

– thoughts to spark conversation

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# What's the same?

Urgency to reduce global GHGs

short-term reductions make almost no difference

Potential solutions

Uncertainty about best pathways

Need for research, experimentation and evaluation

Free-riding

Lobbying by powerful interests

# What's different?

## Less money

Most governments are now close to using up many years of fiscal headroom

## Higher job and business turnover

unemployed people and capital

## Inequality and racism are more visible than ever

Health, unemployment



# What's different? (2)

## Greater recognition of air pollution damage

Strong linkages between COVID-19 impacts and PM<sub>2.5</sub> exposure (just causal?)

## Shift in perceptions of human / nature relationship

Linkage between loss of habitat and zoonotic diseases highlighted

## More acceptance of active government

– visible benefits from strong institutions and cooperation

## Global shift in power / influence

Away from US; toward China.....and New Zealand

# What can we do differently?

**Efficient climate policy**

**Equitable climate policy**

**Supporting developing countries**

**A new narrative?**



# Efficient climate policy

## Stimulus and Recovery – Spending/Revenue responses

bringing forward socially profitable green investments that only government can do – including in human capital

protect nascent green industry at risk because of recession

extra impetus to reduce damaging spending

extra impetus for efficient levels of emissions pricing and other environmental taxes – e.g. plastic

Reduce free allocation in ETS

## Non-spending responses by government become more important

Stable governance – e.g. of emission budgets/Paris liabilities/ETS – to provide predictability for investors

Regulations rather than positive incentives to reduce damaging site specific issues – e.g. damage from pine plantations

Nudges to sustain new green behaviors – e.g. domestic tourism

## Encourage/facilitate private sector green recovery

Help coordinate investment as economy recovers through shared scenarios

# Equitable climate policy

## Focus on jobs and training

take advantage of existing job turnover and unemployment to make the shifts needed positive, not negative

Invest in green human capital: education and training

## Enable gracious exit of people in struggling high emission industries

Focus on jobs for people and communities who are least able to adjust

## Use climate policy to address existing inequality and racism, not increase it

Use time of change as opportunity to shift power toward those currently disadvantaged

# Support for developing country climate action

Governments are desperate and may be open to change – resist vested interests

Fiscal needs are acute

Co-benefits with air quality and health are top of mind

Lock-in emission reductions through NDC revision

Article 6 agreements aligned to recovery priorities



# Example: Chile – green recovery in an emerging economy

Design process for an Article 6 Agreement

Inducing supply of high-quality units through strong trust and investor friendly agreement

Linked issues

Jobs for recovery

Reducing inequality after protests - air quality

Emissions pricing to reduce fiscal pressure

Innovation in renewables and ammonia/hydrogen for shipping?

# A new narrative?

Humans are deeply interdependent

and we are (mostly) cooperative and kind

(Humankind: Rutger Bregman)

Businesses are fragile when society is fragile

Business working to support a thriving society for long-term profitability?

(Reimagining Capitalism in a World on Fire: Rebecca Henderson)

**Harness these to address the root causes of inequality and climate change?**

Humans' dependence on nature more visible

Live with nature for our mutual benefit rather than trying to dominate it?

Increase 'voice' of nature in governance

(Tears of Rangi: Anne Salmond)



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