Whose Green Recovery? Why poorer countries must not be left behind by richer countries’ recovery plans

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Executive summary

The response to the economic fallout from the Covid-19 pandemic is already underway in many countries. The world stands at a crucial juncture, as nations choose between restarting their economies using fossil fuels, plunging us further into climate crisis, or taking the opportunity to accelerate the transition to a low carbon world which puts us on track to meeting the targets of the Paris climate accord.

There has been much talk of these stimulus packages by richer economies contributing to a global ‘green recovery’ with funds spent on renewable energy projects, low-carbon transport infrastructure and building energy efficiency measures, among other things. Our analysis suggests that, not only are the stimulus packages not as green as they need to be, but that the low carbon measures planned are almost entirely focussed within their own borders.

This domestic focus is dangerous on multiple fronts. Without support, poorer nations facing multiple crises may choose the short-term benefits of restarting their economies using cheap and dirty coal, wiping out much of the climate gains made elsewhere. This would jeopardise the crucial COP26 climate summit taking place in Glasgow in 2021 which is being coordinated by the UK government.

The lack of international breadth in the green recovery also threatens to reinforce economic and environmental inequality. While rich countries are injecting huge amounts of financial stimulus into their economies and making them cleaner, greener and better connected in the process, at the same time some of these same countries such as the UK are cutting their overseas aid budgets - just when poorer countries face a combined health, financial and environmental emergency.

Despite these multiple challenges, many of the world’s poorer countries are keen to avoid the dirty development path trodden by the so-called developed world which is at the historical root of the climate crisis. This report outlines green recovery measures in Nigeria, Senegal, and Pakistan among other places, but concludes that there is a huge need for greater input and support from the world’s richer countries if these ambitions are to be realised and countries are to be persuaded to eschew a fossil fuel-based recovery and pursue a truly sustainable recovery instead.

The suggested policy measures include debt cancellation, switching finance overseas from being spent on fossil fuels to renewables, investing in adaptation measures, bolstering disaster preparedness and restoring ecosystems. If such measures to include poorer countries are not taken, there is a real danger that a green recovery will result in a more divided and unequal world, with much of the gains in recent years wiped out and everyone suffering the climate consequences globally.
Introduction - Recovery based on climate justice

As governments plan for recovery from the pandemic, it is vital that they put climate at the heart of the recovery programme and transition to a truly sustainable green economy.

A global green recovery should be based on fairness, with countries around the world committing to share the benefits and burdens associated with both Covid-19 and the climate crisis. Currently, the focus of a green recovery is primarily in the global North. The few richer economies that have proposed a green recovery - namely the UK, the EU and member states - are focused almost exclusively on addressing economic and climate woes within their own borders. Meanwhile many countries in the global South are facing multiple crises – whether of a health, social, economic or environmental dimension. Between 1850 and 2014, developed economies dominated global GHG emissions, with the US topping the list. The UK is the 6th greatest historic emitter of GHGs since the industrial revolution began nearly 200 years ago. It achieved much of its economic wealth through fossil fuels and by extracting natural resources and cheap labor from the Global South. If it were to take a genuinely fair share of global effort to tackle climate change in line with its historic contribution to the problem, the UK would have to reduce GHG emissions by a total of 200% below 1990 levels by 2030, according to research conducted by the Climate Equity Reference Project and the Stockholm Environment Institute – 100% to net zero in the UK itself and another 100% of cuts through actions beyond UK borders.

When the world recovers from the Covid-19 crisis, we need to make sure we do not move from one crisis, only to accelerate headlong into another. Business as usual could provide a “temporary fix” to the world economy but will perpetuate longstanding economic and social inequalities and environmental degradation and ultimately threaten people and planet. For all these reasons, Christian Aid urges the UK government, as the host of COP 26, to lead the world to a sustainable, green and just recovery.

The Covid-19 pandemic provides a unique opportunity for richer countries to fulfil both their formal obligations under the Paris Agreement to avert catastrophic climate change and their moral obligations to the world’s poorest countries. Evidence shows that green stimulus policies will help create significant employment opportunities reasonably quickly, and address unprecedented job losses. This is vital to ensure access to income for communities in distress who need money for food, housing, health, and other basic goods, and to prevent them from falling further into poverty. Such policies could be critically important to women and girls of colour and other marginalised groups. At the same time, support from richer countries for green stimulus policies in poorer countries would help set these countries firmly on a low carbon development path, giving the world a greater chance of limiting global heating to below 1.5°C and avoiding a much greater climate catastrophe than experienced to date.

A well-planned green recovery could also protect ecosystems and water sources, creating greater resilience to future crises. Conversely a failure to address climate change will worsen economic, political, health and social stresses. We are now on
course for over 3°C of global warming, with disastrous consequences for humanity and nature.

Covid-19 is related to another unfolding disaster, of biodiversity loss and ecosystem destruction, degradation and fragmentation caused by human activity. This virus is thought to have spread from wild animal reservoirs, with the trade in live wildlife thought to have been a major factor. The likelihood of further pandemics is greatly heightened by environmental degradation which is forcing more and more animal species into agricultural spaces supplying human food chains. Stopping further damage to nature would not only reduce climate change but could also help avert the next pandemic.

The devastating impact of the Covid-19 crisis on poorer countries

Economies around the world are reeling from the impacts of Covid-19. Measures put in place to slow the spread of the virus have brought economic activities to a halt in many parts of the world. By April 2020, more than 4 billion people had been put under complete or partial lockdowns, and almost all of the global population had been affected by some form of containment measures, causing severe economic repercussions. The world now faces the deepest economic contraction since the Great Depression, with the IMF predicting that the global economy will shrink by 3% in 2020. In the UK, the Bank of England forecasts that the UK economy will experience the worst damage from the Covid-19 crisis of any of the world's richer countries. The crisis has hit people's jobs and livelihoods especially hard, with tens of millions of people becoming unemployed in India alone in March. The ILO estimates that 94% of the world's workforce have been affected by lockdowns and that the crisis may have wiped out the equivalent of 305 million full-time jobs globally in just the second quarter of 2020. The impact has been particularly profound for 2 billion workers in the informal sector, reliant on daily earnings and without any formal job security. Out of this workforce, women workers are likely to be the first to lose their jobs or livelihoods and the last to recover.

The world’s poorest countries stand to lose the most from the pandemic. While the G20 and other richer countries have mobilized extraordinary sums to try to protect their own economies, poorer countries find themselves in a very different position. Not only have their essential services experienced decades of under-investment but a growing burden of unsustainable debt has put a major brake on public spending. Meanwhile their revenues have taken a major hit. The world’s poorer countries rely heavily on foreign incomes, generated by the export of agricultural goods and other commodities, as well as international tourism and remittances from nationals working abroad. Covid-19 has shattered all of these revenue sources.

This year, Africa alone will face at least $500 billion in economic costs as a result of the coronavirus. Overall, Africa will experience a decline in economic growth due to Covid-19, from 3.2% to 1.8 or 0.8% (worst case scenario), which will push 30 million people into extreme poverty – living on less than $1.9 per day. The global lockdown has halted Africa’s tourism industry, which in some countries accounts for 38% of their gross domestic product (GDP) and 8.5% of Africa’s GDP as a whole. Meanwhile major African
exports such as textiles and fresh-cut flowers have crashed. The global lockdown has also caused a significant decrease in energy demand, leading to a dramatic decline in oil prices, and affecting the economies of oil producing countries. Oil accounts for 40% of Africa’s exports and generates significant tax revenues. The fall in price and revenue is testing some countries’ abilities to respond to the pandemic and associated economic difficulties. In April, Nigeria, Africa’s largest economy and one of the biggest oil exporting countries, was forced to apply for more than $7 billion in emergency funds from international lenders, including multilateral banks, the International Monetary Fund (IMF), and the African Development Bank (ADB). In the short term, the effects of these revenue losses could be devastating, but it could also accelerate a transition away from such a heavy reliance on fossil fuel extraction and generate a stronger demand for green energy in Africa - if the right investments are made across the continent.

The Covid-19 crisis is also expected to devastate the economies of Latin America and the Caribbean, causing the worst economic contraction since 1930. The continent is projected to experience a drastic decline in economic growth at -5.3%, a magnitude that was last felt during the great depression, at -5%. Unemployment in the region will rise from 8.1% to 11.5%, with nearly 38 million people left without jobs. The poverty rate in the region is expected to rise by 4.5% this year, with 30 million people across the region forced into “situation of poverty” and an additional 16 million into the ranks of extreme poor. To make matters worse, in addition to Covid-19 and the economic crisis, the Caribbean region is experiencing an “above normal”, potentially devastating hurricane season.

In the Asia-Pacific region, economic growth is predicted to decline from 5.7% to 2.4% in 2020. The negative impacts of social distancing and lockdown have created sharp declines in commodity prices, including metals, palm oil, oil, and tourism, disrupting economies across the region. Even under an optimistic scenario, at least 11 million people will be pushed into poverty across the region and the inequality gap will widen. In several countries, such as Thailand, Laos and Vanuatu, the current crisis is coming on top of multiple climate-related disasters in recent years which have weakened their economies, and disrupted social services and investment in sustainable development.

Impact on hunger: Falling incomes and disruption to trade and transport have made food increasingly unaffordable for many people in the poorest countries, particularly in parts of Africa and the Middle East already hit by climate-induced food crises. This could lead to a major rise in the number of people facing acute hunger, from 690 million in 2019 to 822 million in 2020. Those sinking further into poverty are forced to take-short term coping measures such as selling assets and withdrawing their children from school, deepening extreme wealth inequalities and impacting most heavily on women and girls. Few people in these countries have savings to sustain them through prolonged lockowns, especially when the majority depend on the informal sector for daily living. The dilemma they face can be as stark as ‘to die from hunger or from the virus’.
During the Covid pandemic, the climate crisis has continued

In addition to the pandemic, poorer countries are struggling to respond to the ever-deepening climate crisis, which is undermining their economic and social systems: damage from climate disasters accounts for between 25 and 200% of their GDP.\(^1\)

Indeed, one of the reasons why so many poorer countries are shackled with high debts is their constant need for financing weather-related disasters, including storms, floods and drought.

Covid-19 has pushed climate change off the front pages, yet it has made many of the world’s most marginalised people more vulnerable to its impacts.

In 2019, the UN warned that climate disasters were happening at the rate of one a week, and this trend has continued into 2020. Between April and May 2020 alone, climate-related disasters created havoc in a whole host of countries already overstretched responding to the pandemic.

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<td>Floods; Betong district (Sarawak state), Malaysia</td>
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<td>Floods and landslides; West Sulawesi Province, Indonesia</td>
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<td>Floods and landslides; Northern area, Rwanda</td>
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<td>Floods; Sumatra Province, Indonesia</td>
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<td>Floods; Northern area, Rwanda</td>
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<td>Floods; Uzbekistan and Kazakhstan</td>
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Source: 1 The International Disaster Database. https://www.emdat.be/
These events bring into stark relief the doubly complex challenge of keeping people safe from both Covid-19 and climate-related disasters. As of 15 September, 51.6 million people globally were recorded as having been directly affected by floods, droughts, or storms in 2020, with the impact only compounded by the pandemic. For some of the most marginalised people in rural areas of the world’s poorest countries (women subsistence farmers, for example), the climate crisis remains the greatest single threat and arguably a greater threat than the economic fall-out from the pandemic. This is because many of these communities rely on the land and on ecosystems for their income and food – ecosystems which may be highly vulnerable to climate change. They are less affected by the huge drops in income experienced in tourism, aviation and export sectors as a result of the pandemic.

**Impact of lockdown and other restrictive measures on global carbon emissions**

At the height of the Covid-19 lockdown in April 2020, with a large part of the world under confinement, daily global carbon dioxide (CO2) emissions fell by 17% compared to last year.

This dramatic drop in emissions, however, had little impact on overall CO2 concentration in the atmosphere: in May, the level of CO2 was at 418 parts per million, the highest ever recorded in human history. These trends put the challenges of addressing climate change into stark relief. Even a pandemic that has disrupted lives around the world can do little to reverse the problems we have accumulated: we will need long-term and large-scale emissions reductions over many years to address the high levels of CO2 concentration in the atmosphere. By the end of 2020, depending on how lockdowns are eased and economies restart, a decline in global emissions between 4 to 7% compared to last year is expected. And yet to limit global temperature rises to 1.5 degrees and prevent the most devastating effects of climate change (based on the latest science from the Intergovernmental Panel on Climate Change (IPCC)), global emissions need to fall by 7.6% every year until 2030, according to the UN Environment Programme.

Moreover, such reductions will need to be achieved without economic paralysis, dramatic job losses and widespread social insecurity that has accompanied Covid-19 lockdowns. What is needed are concerted global and national efforts to manage a just and sustainable economic transition in all countries.

**Fossil fuel price crash could fuel climate crisis**

Energy production and consumption are by far the biggest sources of human-caused greenhouse gas emissions, accounting for 73% of global emissions. The Covid-19 outbreak and lockdown measures triggered the biggest shock to energy markets in 70 years, as the health crisis forced large parts of the world economy to shut down and people to stay at home, leading to a decrease in global demand for nearly all major fuels. In the first quarter of 2020, global energy demand fell by 3.8% compared to 2019 and is expected to fall by 6% by the end of 2020 - a decline more than seven times the impact of the 2008 financial crisis. This dramatic decline in demand has led to a sharp drop in the price of all fossil fuels.
Impact of the pandemic on green energy could derail renewable energy progress

Renewable energy has been more resilient to the effects of the pandemic than fossil fuels and research indicates that companies involved in sustainable investment, including in clean energy, have been doing well during the pandemic compared to the fossil fuel industry. This is partly due to the continued demand for electricity during lockdown, as opposed to fuel for transport. While electricity demand was lower in some sectors of manufacturing and in offices, it was higher at the household level with so many people staying at home.

In the past decade, the cost of renewable energy has dropped, facilitating an increase in renewable energy generation worldwide. However, in some countries, the pandemic and ensuing economic crisis are already exerting a negative impact on government support for renewable energy. In South Africa, for example, the state-owned energy company Eskom which until the pandemic had been blamed for frequent black-outs and a failure to supply sufficient electricity for the country, declared a ‘force majeure’ on their contracts with wind energy suppliers because demand had fallen through the floor and they suddenly had a surplus supply. The South African government which had pledged in February 2020 that it would seek new bids from renewable energy suppliers has now gone to ground on when this will happen, leaving investment in South Africa’s renewable energy sector in jeopardy. Since investments in renewable energy projects are based on 20-year returns, investors need certainty, and the pandemic has removed that certainty.

Meanwhile the pandemic and associated lockdown measures have disrupted the renewable energy sector’s global supply chains (China, for example, supplies 70% of the components for solar energy around the world), leading to a more sluggish growth in renewables than anticipated. As a result of these trends, the renewables sector will experience a 13% decline in growth in 2020 compared to 2019 and overall the global use of renewable energy is projected to increase by only 1% in 2020 overall. Despite this and in contrast to the fossil fuels sector, renewables are the only source of energy to grow in 2020.

In sum, the impact of the pandemic on the renewables sector is less pronounced but it faces pandemic-induced challenges in the short term that may affect investment in the longer term. Consequently, it is critical that governments support the renewable energy sector as part of their economic recovery measures, to help the renewable sector overcome these challenges and establish a stable environment for its growth.

Implications of declining fossil fuel price and hopes of a just green transition

The question is whether Covid-19 is simply a brief impediment to investment in oil, gas and coal companies. In the short term, many oil companies have cut back exploration and production to deal with the dramatic drop in demand (as well as asking for government bailouts), but longer term the fall in the price of fossil fuels could attract
investment in the carbon-intensive energy sector and undermine the transition to renewable, sustainable sources of energy by challenging the competitive price of renewable energy. Given this situation, there is a real danger that countries resort to cheap and dirty energy sources to boost their economies in the recovery phase. This may apply particularly to countries in the Global South under pressure to address a growing demand for power.

In the past, fossil fuels have been a driver for rich economies around the world: the past three centuries of progress have been powered by coal, oil and gas. Even as economies attempt to transition to renewable energy, they have tended to resort to fossil fuels to restart their economies in the wake of recessions. For instance, following the 2008 recession, the consumption of coal increased (particularly in fast-growing economies in the Global South such as China, India, Vietnam, South Africa and Indonesia) as businesses used more of it in response to the drop in prices, which in return led to increased GHG emissions. Already we have seen that as China started reopening its economy in March, the country approved more coal-fired power plants in less than a month than in the whole of 2019. In the first half of 2020 G20 countries committed $151 billion to fossil fuels ($136 billion to oil and gas and $15 billion to coal) of which only 20% was made conditional on even modest green requirements, such as setting climate targets or implementing pollution reduction plans.

The reduced price of coal could prove particularly attractive to countries in the Global South, where a lack of capital often means the cheapest option in the short term wins out (even if renewable energy is cheaper in the longer term). Poorer countries may simply lack the financial and technical capacity to invest in renewable energy and the cost of building renewable energy infrastructure on a large scale remains a barrier, even if that cost has declined in recent years. In this context, countries may opt for the ‘quick fix’ of coal, especially with budget constraints resulting from Covid-19. Even before the pandemic, there was a growing demand for oil, gas and coal in South East Asia and in Africa which is expected to further increase in the coming decade, unless policymakers and investors intervene with clean alternatives. If countries in these regions expand the burning of fossil fuels, we could see a huge increase in global GHG emissions, even if emissions are greatly reduced in Europe. By 2040, on current projections it is estimated that South East Asia alone would contribute 42% of CO2 emissions globally. In the next decade, the global energy demand will increase by 30%, and the majority will come from developing countries (Asia-Pacific alone accounts for 67%). Unless there is a bigger investment for clean renewables to keep up with energy demand, fossil fuels are projected to remain the mainstay of energy supply for some time to come.

The jury is out as to which way the pendulum will swing in the end. On the one hand, much of the analysis in financial markets indicates that the fossil fuel sector – particularly oil and gas – will rebound – even if not to pre-pandemic levels – and continue to dominate the global energy system until at least 2040. The International Energy Agency (IEA), on the other hand, asserts that the pandemic has irrevocably weakened the fossil fuel sector. The volatility in the price of fossil fuels, currently below market prices, could certainly deter investment in this sector and add further weight to the hypothesis that pension funds and other investments in the fossil fuel finance sector could end up as ‘stranded’ assets in the longer term with little or no value.
Meanwhile the IEA reports that a drop in fuel prices triggered by the pandemic has led to a big reduction in government consumption subsidies on fossil fuels around the world. Traditionally, subsidies have kept the price of fossil fuels artificially low and distorted energy markets away from investment in renewable energy. The pandemic therefore provides governments with a historic opportunity to phase out fossil fuel consumption subsidies.

Another factor that may deter investment in fossil fuels is the growing pressure from the public to address the climate emergency. This pressure has already forced more and more businesses to revise their long-term investment strategies, and divert investment into renewables. Overall it is clear that there are more growth prospects in the RE sector, providing safer and better investment options in the long term.
The Covid-19 stimulus packages so far: Are they pushing us deeper into the climate emergency?

Actions towards economic recovery should provide opportunities to create more sustainable economies that mitigate rather than drive the climate crisis. They should also address poverty and inequality, respect human rights and reduce our vulnerability to future pandemics and extreme economic shocks. ‘Building back’ cannot mean that the abuses and inequalities of the past are simply reinvented (regrettably, there are already ample examples of renewable energy projects doing just that).\(^{43}\)

The cumulative economic cost of the climate crisis is also increasing and government inaction could cost the world $8 trillion in the next 30 years, impoverishing the world as a whole by 3% of GDP and developing countries by even more.\(^{44}\)

Despite some setbacks to climate action, governments around the world have made positive noises since the Covid-19 pandemic began about addressing the climate crisis and ensuring that the recovery is green. In April 2020, for example, the UK and German governments organized the Petersberg Climate Summit with the governments of thirty countries to discuss Covid-19 ‘green recovery’ plans.\(^{45}\) At this event, the German environment minister, Svenja Schulze stated: ‘We need a green recovery in order to build a more resilient future. Our guiding principle is not to go back to the old world but to work towards a better world with more resilient and climate-friendly economies.’ In early September the Japanese Government hosted a virtual ministerial meeting for governments to exchange views on how to use carbon-cutting measures to reboot their economies.\(^{46}\)

In May 2020, the EU unveiled a green stimulus package that puts fighting climate change at the heart of the bloc’s economic recovery from the pandemic. The European Commission proposed a €1.1 billion recovery instrument until 2027, and plans to spend a huge chunk of the finance on clean energy and green infrastructures: to decarbonize electricity and other energy sources; to build energy efficient homes; retrofit public buildings and low-income housing; and to phase out petrol and diesel vehicles.\(^{47}\) This recovery plan is vital to put European countries on a net zero path by 2050, especially since the EU bloc is the world’s third largest emitter of CO\(_2\) after China and the US.

The green stimulus package was followed by EU leaders’ agreement on an EU budget for 2021-27 worth 1.074 trillion euros and an economic recovery fund worth 750 billion euros.\(^{48}\) It was agreed that 30% (550 billion euros) of the whole deal would be earmarked for climate protection and that all spending must contribute to EU emissions-cutting goals.

The UN in collaboration with the UK government has launched a COP26 Race for Zero campaign. While this campaign is no substitute for COP26, it will help mobilize renewed levels of commitment from countries and businesses to implement a zero-carbon recovery. As of June, over 1,000 business globally had joined the campaign, signing up to reduce their emissions to net zero.
by mid-century. The Race to Zero campaign also encourages governments to renew their commitments to reaching the 1.5°C target of the Paris Agreement by submitting more ambitious NDCs. Revised NDCs will help facilitate fast-acting green investment and set countries on a path to a sustainable recovery.

In the UK, business leaders are also calling on governments to set out clear green economic recovery plans, adding to the momentum of civil society voices. Over 200 leaders from top business firms have signed a letter asking the government to "deliver a clean, just recovery". Prior to this, British Members of Parliament (MPs) called on the government to deliver green aid to accelerate "faster, further, fairer" action to help tackle the climate emergency and the Covid-19-induced economic crisis. In July 2020 the UK Chancellor Rishi Sunak announced a 'green recovery deal' worth £3 billion designed to kickstart ‘eco-friendly economic recovery’ and create green jobs through the insulation of homes and public buildings, and green heating. In early September 2020, the French president earmarked 35 billion euros to support a clean energy transition as part of a 100 billion stimulus package for the French economy.

But overall, global stimulus packages to address the Covid-19-induced economic crisis have so far been disappointing as far as a green and just recovery and tackling the climate crisis are concerned. The EU commitments mentioned above, for example, were criticised for falling far short of the 2.4 trillion euros in investment researchers say is needed to meet EU climate goals. The EU's fund for supporting EU member states to transition their economies away from fossil fuels received half the funding proposed earlier and the conditions for accessing the fund were watered down. Meanwhile the UK's 'green recovery deal' was described by Green Party MP Caroline Lucas as a paltry 'meal deal' which would only make 650,000 of the UK's 24 million homes energy efficient and cut no more than 0.14% of UK emissions. In Japan, in spite hosting an international pro-climate recovery ministerial summit in September, the Government has not yet altered its climate targets which have been criticised for their lack of ambition. A third of Japan's energy is powered by coal and the government is planning to build new coal power plants. It also funds more oil, coal and gas projects overseas than any other government.

Fossil fuel bail-outs: Despite mounting pressure on all fronts to deliver a green recovery plan, richer countries are still supporting high-carbon industries with few cases of sustainability conditionality of any kind attached. According to analyst company Bloomberg New Energy Finance, the vast majority of stimulus money announced since March by governments is set to prop up the fossil fuel economy. Data made public by Energy Policy Tracker indicates that fossil fuel producers and high-carbon sectors such as airlines were receiving 70% more recovery aid than clean energy, in spite of the increased rhetoric about the need for a green recovery. More than half a trillion dollars worldwide is to be given to carbon-intensive business, with no conditions to ensure they reduce their carbon output. By contrast, just $12.3 billion goes towards low-carbon industries, such as renewable energy. This support for high-carbon industries, including the fossil fuels sector, will lock in global carbon dioxide emissions for decades.

Despite its promises of a green recovery, the UK government is providing financing for large businesses without any binding green conditions. Data released in June shows how much of a missed opportunity this is, with the airline, oil and gas and transport sectors

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**Notes:**

1. Whose Green Recovery?: Why poorer countries must not be left behind by richer countries’ recovery plans

2. The Race to Zero campaign also encourages governments to renew their commitments to reaching the 1.5°C target of the Paris Agreement by submitting more ambitious NDCs.

3. Revised NDCs will help facilitate fast-acting green investment and set countries on a path to a sustainable recovery.

4. In the UK, business leaders are also calling on governments to set out clear green economic recovery plans, adding to the momentum of civil society voices.

5. Over 200 leaders from top business firms have signed a letter asking the government to “deliver a clean, just recovery”.

6. Prior to this, British Members of Parliament (MPs) called on the government to deliver green aid to accelerate “faster, further, fairer” action to help tackle the climate emergency and the Covid-19-induced economic crisis.

7. In July 2020 the UK Chancellor Rishi Sunak announced a ‘green recovery deal’ worth £3 billion designed to kickstart ‘eco-friendly economic recovery’ and create green jobs through the insulation of homes and public buildings, and green heating.

8. In early September 2020, the French president earmarked 35 billion euros to support a clean energy transition as part of a 100 billion stimulus package for the French economy.

9. But overall, global stimulus packages to address the Covid-19-induced economic crisis have so far been disappointing as far as a green and just recovery and tackling the climate crisis are concerned.

10. The EU commitments mentioned above, for example, were criticised for falling far short of the 2.4 trillion euros in investment researchers say is needed to meet EU climate goals.

11. The EU’s fund for supporting EU member states to transition their economies away from fossil fuels received half the funding proposed earlier and the conditions for accessing the fund were watered down.

12. Meanwhile the UK’s ‘green recovery deal’ was described by Green Party MP Caroline Lucas as a paltry ‘meal deal’ which would only make 650,000 of the UK’s 24 million homes energy efficient and cut no more than 0.14% of UK emissions.

13. In Japan, in spite hosting an international pro-climate recovery ministerial summit in September, the Government has not yet altered its climate targets which have been criticised for their lack of ambition.

14. A third of Japan’s energy is powered by coal and the government is planning to build new coal power plants.

15. It also funds more oil, coal and gas projects overseas than any other government.

16. Fossil fuel bail-outs: Despite mounting pressure on all fronts to deliver a green recovery plan, richer countries are still supporting high-carbon industries with few cases of sustainability conditionality of any kind attached.

17. According to analyst company Bloomberg New Energy Finance, the vast majority of stimulus money announced since March by governments is set to prop up the fossil fuel economy.

18. Data made public by Energy Policy Tracker indicates that fossil fuel producers and high-carbon sectors such as airlines were receiving 70% more recovery aid than clean energy, in spite of the increased rhetoric about the need for a green recovery.

19. More than half a trillion dollars worldwide is to be given to carbon-intensive business, with no conditions to ensure they reduce their carbon output.

20. By contrast, just $12.3 billion goes towards low-carbon industries, such as renewable energy.

21. This support for high-carbon industries, including the fossil fuels sector, will lock in global carbon dioxide emissions for decades.

22. Despite its promises of a green recovery, the UK government is providing financing for large businesses without any binding green conditions.

23. Data released in June shows how much of a missed opportunity this is, with the airline, oil and gas and transport sectors
receiving large support packages worth over £5bn (see Table 2), but without being asked to make any commitments to a green transition. This will undermine the UK’s efforts to show global leadership on climate through COP26.

Table 2 A snapshot of UK support packages under the Covid Corporate Financing Facility

<table>
<thead>
<tr>
<th>Company</th>
<th>Size of loan £m</th>
<th>Company</th>
<th>Size of loan £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airline Sector</strong></td>
<td></td>
<td><strong>Transport Sector</strong></td>
<td></td>
</tr>
<tr>
<td>easyJet PLC</td>
<td>600</td>
<td>Nissan Motor Co Ltd</td>
<td>600</td>
</tr>
<tr>
<td>Ryanair DAC</td>
<td>600</td>
<td>Toyota Financial Services (UK) PLC</td>
<td>365</td>
</tr>
<tr>
<td>British Airways PLC</td>
<td>300</td>
<td>First Group PLC</td>
<td>300</td>
</tr>
<tr>
<td>Wizz Air</td>
<td>300</td>
<td>Mitsubishi Corporation Finance PLC</td>
<td>300</td>
</tr>
<tr>
<td><strong>Oil and Gas Sector</strong></td>
<td></td>
<td><strong>TOTAL</strong> 2,550</td>
<td><strong>TOTAL</strong> 2,540</td>
</tr>
<tr>
<td>Baker Hughes UK Funding Company</td>
<td>600</td>
<td>Stagecoach Group PLC</td>
<td>300</td>
</tr>
<tr>
<td>Schlumberger PLC</td>
<td>150</td>
<td>Rolls Royce PLC</td>
<td>300</td>
</tr>
<tr>
<td>Honda Finance Europe PLC</td>
<td></td>
<td><strong>TOTAL</strong> 2,550</td>
<td><strong>TOTAL</strong> 2,540</td>
</tr>
</tbody>
</table>

Source: https://www.bankofengland.co.uk/markets/bank-of-england-market-operations-guide/results-and-usage-data
Note: Data correct as of the 5th June 2020

The EU, while unveiling one of the most ambitious green recovery plans in the world on the one hand, is also propping up big polluters by providing financial support on the other. The European Central Bank (ECB) is advancing €220bn billion to fossil fuel companies; 38 oil companies, including Shell and Total, and several coal plants are expected to benefit from the lending scheme. The Bank has already injected €7.6 billion into the fossil fuel industry since the start of the Covid-19 pandemic. This illustrates the gap between government rhetoric, with many EU and UK leaders acknowledging climate urgency, and commitment to addressing the climate crisis.

Similarly, the South Korean government, despite promises to end coal financing, is providing emergency loans for coal and gas industries. In March, the Korean Development Bank (KDB) and the Export-Import Bank issued a $825 million loan to the country’s biggest coal plant manufacturer, Doosan Heavy Industries & Construction. This company will also receive financial support to grow its gas business.
Implications of business as usual

World leaders’ failure to address the climate crisis, by bailing out carbon-intensive and high-polluting industries, will continue to cause irreparable harm in the Global South. While climate change poses a threat to everyone living on this planet, its harmful effects are not distributed evenly among countries and communities. Poor countries across the world, from Vanuatu to Haiti and Bangladesh to Ethiopia, bear the brunt of environmental destruction and man-made and corporate-driven global warming.

Without government intervention and without green policies in place, there is a high risk that emissions will simply rebound once pandemic restrictions are completely lifted, maybe rise even higher than pre-Covid-19 levels if we fall back on dirty energy to jumpstart our economies. IMF forecasts emissions will rebound by 5.8% in 2021. Following the global financial crisis, in 2010 there was a rebound in emissions of 5.1%, well above the 5-year average increase of 2.4%. The stimulus package – in particular the support provided to carbon-intensive industries – led to the biggest rise in annual net carbon emissions in 50 years. Governments around the world should learn from this mistake.

If we go back to business as usual, the world could be on a track for a catastrophic 3°C (in Africa 5°C) rise in global temperatures, undermining the web of life that we rely on. The impact of climate catastrophe will largely be borne by those who already bear the impact today, with Africa experiencing a GDP reduction of 15% by 2050 as a result of climate change alone (let alone the pandemic), pushing hundreds of millions into poverty. According to the WHO, the extent of climate change if we stick to ‘business as usual’ would cause 250,000 additional deaths a year worldwide between 2030 and 2050 – an additional 5 million deaths.

‘The Covid-19 crisis and governments’ responses to it are intensifying the trends that existed before the pandemic struck. National and subnational jurisdictions that heavily subsidized the production and consumption of fossil fuels in previous years have once again thrown lifelines to oil, gas, coal and fossil fuel-powered electricity. Meanwhile economies that had already begun a transition to clean energy are now using stimulus and recovery packages to make this happen even faster.’

Ivetta Gerasimchuk, International Institute for Sustainable Development
Poorer countries are being left behind in the green recovery

Among the economic stimulus packages, there is far too much bailing out of carbon intensive industries and other dirty investment such as road building which will result in a rise in emissions. This is tantamount to rich countries restarting their economies on the backs of the poor and climate vulnerable, who will disproportionately suffer the impact of these emissions.

The green recovery elements within these packages contain plenty of positive initiatives. Making homes more energy efficient, building low carbon transport infrastructure and expanding renewable energy are all welcome. But this massive cash injection is designed to generate domestic economic growth, which will likely see the gap between global rich and poor grow even larger. There is very little in these plans that will directly help the world’s most vulnerable, who want to share in the green recovery yet face numerous challenges of poverty, hunger and conflict and don’t have the resources. While rich countries in the Global North become cleaner, better connected and cushion themselves from both the virus and the economic fallout, poorer nations are being left to fend for themselves.

At the same time, the aid budgets of rich countries may well be cut to fund domestic spending, just at the time they are most needed, exacerbating global inequity even further. In July 2020, for example, the UK Government announced that it would cut the UK’s aid budget by £2.9bn. Even in countries where aid budgets have not yet been cut explicitly, a drop in national wealth (GDP) in most donor countries as a result of the pandemic is likely to trigger a shrinking of aid budgets since these are calculated as a percentage of GDP in most cases.

The danger is that if left without support, poorer nations facing desperate challenges may be forced to use cheap coal to aid their recovery. This would see the climate gains of the green stimulus in the Global North wiped out, destabilise the Paris Agreement ahead of the crucial COP26 summit in Glasgow next year and leave the world on a perilous course towards global heating of more than 1.5C.

Despite their limited resources countries in the global south are attempting to build back greener. Some examples of this include:
Adaptation plan to build back better in Ghana

In July 2020, the Government of Ghana launched the process for developing a National Adaptation Plan (NAP) in efforts to build nationwide resilience to climate change impacts. In light of the COVID-19 crisis, Ghana’s government will aim to use this NAP process to ‘build back better’, ensuring that post-COVID-19 recovery investments and stimulus packages are ‘climate-proof’ – i.e., resilient to the extreme weather events projected in the coming decades. Describing the COVID-19 global pandemic as “a wake-up call to us as Ghanaians on self-sufficiency”, Minister Frimpong-Boateng stressed that proper adaptation planning was a critical part of the solution.67

Solar expansion in Nigeria

Nigeria has announced a post-coronavirus economic plan titled “bouncing back”, which includes a focus on expanding the nation’s solar infrastructure. Since 2018, Nigeria has been working with the African Development Bank and the World Bank to increase access to solar powered energy for low-income households, public and educational institutions, and underserved small and medium enterprises. Currently, it is accelerating its implementation of mini-solar grids to create reliable sources of energy for hospitals and health centres in rural areas combating Covid-19.68 The plan seeks to install five million Solar Home System to serve 25 million households currently unconnected to the National Grid across the country.

Clean energy in Senegal

In February 2020, Senegal inaugurated the first large-scale wind farm in West Africa. This facility will supply nearly a sixth of the country’s power when it reaches full capacity later this year. The wind farm will provide enough electricity for 2 million people and prevent the emission of 300,000 tonnes of carbon dioxide annually. This is a great achievement in terms of addressing the gap in universal access to energy and tackling climate change. Close to 40 percent of the population (nearly 6.5 million people) in Senegal don’t have access to power. In the past 10 years, the country has been deploying renewable technologies, including solar power, to promote sustainable social and economic development. In 2018, the country inaugurated the largest solar power plant in West Africa, which boasts a 20 MW capacity, and aims to provide electricity to 160,000 people. Since then, the country has inaugurated three additional solar power plants, with a total capacity of 82 MW. And with the latest addition of wind farm, Senegal will get 30% of its energy from renewable sources. 69

Tree planting jobs in Pakistan

Pakistan has already started employing tens of thousands of people who lost their jobs due to coronavirus lockdown to work on the country’s 10 Billion Trees ‘green stimulus’ programme in the seven national parks planned by Pakistan’s Ministry of Climate Change. As of the end of April, 63,600 people had been hired to plant trees, serve as forest firefighters and set up nurseries. The initiative aims to cover 15,000 acres of land with trees and is prioritizing women and youth in the employment scheme. 70

‘Exceptional circumstances require special arrangements and a different scale of ambition. And why not make economic support consistent with resilient, climate-smart growth? Investments made now will have long-lasting impacts and thus must be chosen carefully. The post-Covid-19 world offers Africa an important opportunity to revitalise its economy under a green framework that supports a healthy and prosperous people while safeguarding the global commons.’
Carlos Lopes, former executive secretary of the UN Economic Commission for Africa
African leaders’ commitment to building climate and pandemic resilience

In May 2020, 54 African leaders endorsed recommendations made in a briefing called Integrated Responses to Building Climate and Pandemic Resilience in Africa, which include adaptation actions to secure the food supply for vulnerable people and strengthen the agricultural value chain; increase access to water and sanitation in parallel with efforts to improve water governance; and invest in resilient infrastructure to create jobs. Ali Bongo Ondimba, President of Gabon and champion of the initiative said: “The real impact of the coronavirus crisis on climate will ultimately depend on the choices we make in how we recover. Meeting the Paris Agreement's goals for mitigation and adaptation must be central to this effort to ensure we reduce the likelihood of future pandemics.”

But economist Prof Carlos Lopes of Guinea-Bissau, a former executive secretary of the UN Economic Commission for Africa, says much greater support is needed to ensure poorer nations are able to rebuild sustainably. He said: “[African] nations lack the financial capacity that developed economies have to implement large stimulus packages. Many countries in Africa, and the developing world, rely heavily on foreign income to support their economies. Yet the pandemic explicitly threatens the export and tourism markets, investments and remittances from nationals working abroad that are so essential to the economy.” Given the continent’s heavy debt service burden – about $44 billion in interest payments in 2020 – he points out that there is a need to raise levels of stimulus equivalent to those being mobilised in large economies. Although G20 finance ministers agreed to suspend debt service payments for the world’s poorest countries, he warns that these initiatives are ‘way below what is needed’.

Meanwhile, the willingness of poorer countries to choose a clean development pathway is threatened by economic realities that could see the short-term allure of cheap coal outweigh the long-term benefits of clean economic investment. Mohamed Adow, Director of the Nairobi-based energy and climate think tank, Power Shift Africa, asserts: ‘Many developing countries are on the cusp of sweeping development over the next few years. They stand at a fork in the road. How these countries choose to rebuild from the pandemic will play a huge part in determining whether the goals of the Paris Agreement are met. Without support from richer nations there is a real danger that they feel there’s no other option but to follow the fossil fuel path taken by Europe and North America during the last century.’ He points out that countries like the UK risk cancelling out the gains of deploying green investment at home to address climate change unless they think beyond their own borders and create a truly global green recovery that aids the most vulnerable. A failure to do so could result in a troubled COP26 climate summit in 2021. ‘Covid 19 continues to be a grave tragedy,’ he says, ‘but the economic recovery is an opportunity to reset the world’s trajectory away from climate crisis and model the kind of international solidarity needed to tackle climate change.’
The vision for a global green recovery – what needs to happen

A green recovery from the pandemic needs to put the world on a trajectory that limits global temperature rises to 1.5 degrees.

The scientific evidence from the Inter-Governmental Panel on Climate Change indicates that this will require global emissions to be roughly halved by 2030 and reduced to net zero by 2050. To achieve this requires rapid and fundamental changes to our economy, transport, energy infrastructure, as well as agriculture and other land use, transitioning from fossil-based to green and renewable energy models. In conjunction with promoting deeper emissions cuts, the green recovery should prioritize vulnerable communities and build the resilience of poor countries to climate disasters. The pandemic has exposed the fact that our economic system does not work for everyone, and is benefiting the few at the expense of the many. It also comes at the cost of nature which is self-defeating as conserving and restoring nature can be a means of both increasing resilience to future climate-related weather events and of capturing and storing carbon. Whether through over-consumption in richer countries or over-production, the current economic growth model is resulting in untold environmental costs and with it, increasing climate-related disasters. We need global solutions for global problems, and more than ever we need concerted global efforts to address the overlapping crises of climate, poverty and nature.

Accelerate the shift away from fossil fuels to renewable energy

- Move UK Export Finance and aid from fossil fuels to renewables
- Skills training in renewable energy and low carbon sectors
- End fossil fuel subsidies
- Green conditions on bail-outs of companies

Around two-thirds of global greenhouse gas emissions come from our current energy source – fossil fuels. We need to immediately and completely phase out from this energy sector to reduce energy-related carbon dioxide emission by 100% by 2050. Civil society movements in the Global South and Christian Aid have long argued that countries seeking to grow and develop their economies can ‘leap-frog’ dirty fossil fuel-based development and transition directly to low-carbon development based on renewable energy which would also meet the energy needs of the world’s poorest communities far better than large-scale carbon-intensive projects.

Transitioning to clean energy also creates new investment areas that will help stimulate the economy and create opportunities for desperately needed jobs. We already have evidence of the success of green stimulus policies. The 2008 financial crisis showed that investment in green projects, including from governments, produced We need a rapid and deep transformation to assure a sustainable, just and resilient future for Latin America and the Caribbean which may only be achieved through concrete actions with the potential to protect biodiversity, face the climate crisis, and upgrade citizens’ quality of life, by creating new employment, guaranteeing access to basic services, cleaning the air we breathe, and making our cities more liveable and enjoyable. For this reason, prioritising these criteria in Post Covid 19 recovery packages is imperative to avoid a point of no return.

Declaration from the Campaign for a Transformative Reactivation signed by over 400 civil society organisations across Latin America and the Caribbean in Aug 2020.
greater returns in both the short and long-term than pouring resources into conventional high-carbon projects.\textsuperscript{79} The renewable energy sector generated jobs at a higher rate than in fossil fuels: 7.48 full-time jobs in renewables infrastructure for every $1 million spent, 7.72 in energy efficiency, but only 2.65 in fossil fuels.\textsuperscript{80} Moreover, the drop in the prices of renewable energy has made transitioning the global economy to low-carbon, and eventually to zero-carbon solutions, more affordable and accessible than ever before.

Since government decisions guide around 70% of global energy spending,\textsuperscript{6} governments have a critical role to play in determining whether the world’s future energy comes from renewable sources or dirty fossil fuels.

Evidence shows that the following wide areas of investments will boost short-term job creation and incomes and also reduce GHG emissions:\textsuperscript{82}

**Move Export Finance and aid from fossil fuels to renewables**

- Governments of richer, OECD countries, including the UK, must cease all new direct and indirect public support for fossil fuels projects in other countries, including the use of aid budgets and export credits. Instead, aid and export credits should be used to scale up renewable energy, energy efficiency and energy access for the poorest.

One way in which governments of richer countries can both directly support their businesses and also boost the energy transition abroad is through the use of export finance and loan guarantees. Perversely, export finance to UK firms doing business overseas (including in the world’s poorer countries) is currently heavily skewed towards fossil fuels. According to a report published in 2019 by Parliament’s Environmental Audit Committee, 96% of the energy investments made by the UK’s Export Credit Agency (UKEF) between 2013 and 2017 went to fossil fuel projects.\textsuperscript{83} Interestingly, this amount was roughly equal to the aid provided for climate-related action (renewable energy and adaptation to climate change) through DFID’s International Climate Fund. This is a bizarre contradiction in UK policy. The UK has set its own net zero target and is urging as many countries as possible to follow suit, yet it has been directly financing the expansion of fossil fuels in those same countries.

At time of writing the UK Government is understood to be reviewing this policy with a view to ruling out the use of public finance for fossil fuel projects overseas. The next step would be for the Government to persuade other countries to follow its lead and introduce similar bans. At the same time it should ramp up UKEF finance and aid for renewable energy projects in poorer countries as a critical contribution to a global green recovery.

This could also have a direct benefit in tackling energy poverty in some of the most remote parts of the world through the installation of renewable mini-grids. Around 85% of people without electricity live in rural areas. Investing in renewable only and hybrid mini-grids is the most cost-efficient way to increase rural electrification, ensure universal access to clean energy, and promote sustainable development.\textsuperscript{84} In 2018, 789 million people, mostly in Asia and
Africa, were without power; and on current trends, around 620 million people would remain without electricity by 2030, 85% of them in sub-Saharan Africa. In addition, in 2018 2.8 billion people did not have access to clean cooking technologies, and instead relied on polluting fuels like kerosene, coal and wood, affecting women and girls disproportionately. Such fuels are a major contributory factor behind the seven million deaths annually as a result of pollution-induced respiratory disease.

It is imperative that a global green recovery ensures access to affordable, reliable and cleaner energy to all. Human survival and development depend on access to energy and a green recovery that promotes universal access to clean energy will help: at a micro-level, for people to meet their basic needs for a decent life, and at a macro level to build more resilient economies. Furthermore, it will help reduce carbon emissions and air pollution, and address the climate crisis. Poorer countries have a huge potential to leapfrog dirty fossil fuel energy and embark on a low-carbon development path instead. But they need financial and technological support to do so. For instance, Africa has the richest renewable energy source, solar, and has the potential to be a low-carbon leader; but it lacks the financial and technical capacity to develop clean energy and as a result 43% of people on the continent remain without access to power.

Skills training in renewable energy and low carbon sectors

- Major private and public investment in skills training and education is needed to address immediate unemployment from Covid-19. Renewable energy projects cannot be built without technological know-how, and as countries start or continue to invest in renewable energy development, there will be a need for an experienced workforce.

One of the key challenges associated with massive job creation in the renewable energy industry is a skills shortage. And this is an even bigger problem for poorer countries, especially in sub-Saharan Africa, where the skills gap is slowing the transition and access to clean energy. Hence, it is vital to invest in education, including in improved teacher training, in-classroom and digital materials and other education capital, to quickly build a workforce and close the gap with job-ready talent. This is especially important in remote, rural areas where unemployment is severe and lack of energy access seriously constrains economic and social development.

Low carbon job creation does not have to be confined to richer countries in the Global North. An extensive study published by the Inter-American Development Bank and the International Labor Organization (ILO) in July 2020 projects that a strategy to progressively transition Latin America and the Caribbean to net zero emissions has the potential to create 15 million net jobs in sectors such as agriculture, forestry, solar and wind power, manufacturing, and construction. ‘With adequately designed measures to ensure these jobs are decent and that those who lose out are protected in the transition,’ the report argues, ‘recovery plans can stop the climate emergency while also boosting growth, tackling inequality and making progress towards the Sustainable Development Goals.’ In the transition to a net-zero economy, it predicts that 7.5 million
jobs would be lost in fossil fuel electricity and extraction and in animal-based agriculture. However these would be compensated by around 22.5 million new jobs created in the sectors outlined above.

The IADB report emphasizes that there would need to be significant investment in the retraining of workers who lose their jobs in carbon-intensive sectors while the current gender segregation in the labour market would have to be tackled if women were to benefit, as 80% of the new jobs created would be in sectors of the economy that are currently male-dominated.

**End to fossil fuel subsidies**

- All governments must remove fossil fuel subsidies, increase fossil fuel taxes without triggering significant consumer price increases, and must divert this money for renewable energy investment and green job creation strategies.

There is a need for a strong signal that green, rights-based and sustainable is the only option for recovery from the pandemic. If governments set this path, then business will follow with climate-smart investments to spur economic growth. This will not be automatic; clear government leadership is vital. With many countries continuing to provide direct support for fossil-fuel consumption ($400 billion a year), more than twice what they spend subsidizing renewable production, this vital signaling is obscured. Continuing fossil-fuel subsidies will make the transition to clean energy harder, artificially making fossil fuels a cheaper way of kickstarting economies.

Subsidising fossil fuels in richer countries, especially production subsidies to the fossil fuel industry, is egregious and must cease as soon as possible. In poorer countries, some argue that there should be a more phased approach to ending subsidies on the consumer price of fossil fuels to cushion the effects on the most vulnerable. However, a recent study from the IEA reports that only 8% of fossil fuel subsidies are targeted at the poorest sectors who gain very little from them. Instead, the poorest sectors actually save money by switching to solar lighting and fuel-efficient stoves, even where fossil fuel consumption subsidies are still in place. Fossil fuel subsidies should therefore be replaced with alternative forms of social protection spending and in many cases, direct and unconditional cash transfers have been proven to be the most effective at protecting the most vulnerable.

**Green conditions on bail-outs**

- Companies engaged in the extraction, processing and distribution of fossil fuels should not receive bail-outs. Bail-outs of carbon-intensive companies that are currently dependent on fossil fuels should be conditional on these companies having plans to transition to net zero with a clear timeline.

Companies whose primary business is the extraction, processing, and distribution of fossil fuels should not receive bailouts, but their staff should be supported in retraining for roles in clean sectors. Bailouts for industries that are currently fossil-fuel dependent such as in the transport sector should include clear conditions requiring these
industries to develop measurable plans of climate action, with a 5 to 10-year timeline, to transition towards a near-zero emissions future. Since most of the businesses receiving bailouts are multinational companies with a large global footprint, such conditions could have a significant global impact, and therefore affecting the scale of the climate crisis in the Global South too.

**Investment in adaptation and in building communities’ resilience**

- **Step up support for adaptation**
- **Promote ecosystem resilience and regeneration**
- **Transition to sustainable agriculture**
- **Allocate more resources to disaster preparedness and capacity-building**

**Step up support for adaptation**

- All donor countries must allocate 50% of their climate finance support in poorer countries to adaptation and commit to a new global adaptation finance goal. Ecosystem resilience and regeneration must be at the heart of adaptation measures.

A green recovery focused on climate change mitigation measures will help the world reduce global emissions and keep global warming below 1.5 degrees. But even if the Paris Agreement targets for emissions cuts are met, most countries, especially poorer countries, will still need resources to adapt to the dire effects of the climate crisis already happening. Communities in the Global South are already experiencing scorching droughts, massive flooding, and deadly heat waves which are devastating their ecosystems and making some regions inhabitable. For this reason, climate adaptation measures must be at the heart of a green recovery.

**Promote ecosystem resilience and regeneration**

- All countries must incorporate nature-based solutions into their national climate plans (NDCs) and invest in the restoration of ecosystems.

Investing in ecosystem restoration, such as the rehabilitation of degraded forestlands and landscape, lies at the heart of many actions needed to adapt to climate change and improve the resilience of the world’s poorest communities. Such investment offers unparalleled opportunities for job creation and food security in addition to addressing climate change. If we could restore 350 million hectares of degraded land in the next decade, we could generate $9 trillion in ecosystem services. Furthermore, we could remove up to 26 gigatons of greenhouse gases out of the atmosphere and mitigate climate crisis. Yet only 3% per cent of climate finance is allocated to nature-based solutions and both public and private sector investments continue to drive the loss of nature.

**Case study: The Philippines**

In November 2013 the powerful waves and currents of Typhoon Haiyan destroyed not just fishing boats but also valuable corals that serve as spawning grounds for fish. As a result, fishing communities in the affected small islands have lost valuable marine resources. In response, a local NGO ICODE in the Iloilo region worked with scientists, local government and fishing communities to create artificial reefs and transplant corals. To complement these actions, a mangrove reforestation initiative was also implemented and access to solar energy expanded to facilitate new livelihoods for local communities such as ice-making, recharging stations, and local groceries stores, thereby reducing pressure on marine resources from fishing.
For poorer countries, especially, it is vital to prioritize ecosystem restoration in the recovery package to ensure billions of people meet their basic needs, whether it is food, fibre (for baskets and nets), timber or water. Policy interventions and strategic investment in ecosystem regeneration will also help low-income countries grow their rural economies, increase agricultural productivity, and build community resilience. Biodiverse ecosystems are more resilient to climate impacts, and also offer other co-benefits such as helping to reduce flood peaks and in times of drought, providing cooling and sources of water. Without shade, air pressure fluctuations between the land and the sea can increase wind speeds, creating more destructive storms. Mozambique’s deforestation made it more vulnerable to Cyclone Idai’s high winds and rainfall. Indeed, since 1980, Mozambique has lost some 370,000 square kilometres of its forests—an area larger than the size of Germany.

Ecosystem protection projects focusing on irrigation, afforestation and reforestation (ideally of varieties of native trees in ecologically appropriate areas), soil conservation, and watershed development could be incorporated into big public work programmes as part of a stimulus packages, creating major employment opportunities and helping people manage the economic impact of the Covid-19 crisis. Such projects may not require much skills training, offering quick solutions for mass employment. In India, for instance, the Mahatma Gandhi National Rural Employment Guarantee created employment for 80 million people. In Ethiopia, the Humbo Assisted Natural Regeneration Project increased local incomes while also restoring 2,700 hectares of biodiverse native forest which helped to remove carbon from the atmosphere and reduce vulnerability to local drought.

**Transition to sustainable agriculture**

- Poorer countries need support to develop sustainable agriculture production systems and phase out toxic agrochemicals by 2030.

Conventional chemically-intensive agriculture generates at least a third of greenhouse gas emissions globally and causes almost all land degradation which then reduces the capacity of soils and forests to absorb and sequester carbon. It also deoxygenates tens of thousands of square kilometres of ocean habitat. And it produces food that is low in essential minerals and vitamins which can increase malnutrition and vulnerability to infections like covid-19.

We need the same approach to food and agriculture as to energy—in other words, a complete transition to sustainable agriculture production systems and zero toxic agrochemicals by 2030. These systems are more productive, produce better quality food, restore biodiversity and agrobiodiversity and are more resilient to the now unavoidable climate shocks. Yet just 15% of the current $700 billion spent annually on agricultural subsidies globally is allocated to environmental protection.

**Allocate more resources to disaster preparedness and capacity-building**

### Case study: Nicaragua

Nicaragua has been a well-established coffee-grower since the mid-1800s but in recent years the productivity and quality of its coffee has been seriously challenged by climate change which has also contributed to a rise in coffee rust fungus and pests. Christian Aid has worked with Nicaraguan NGO Centro Humboldt and private sector partner Ingemann to support small-scale producers and their cooperatives to diversify from coffee into cocoa (which is more drought-resistant than coffee) and honey processing, increasing access to climate services such as weather forecasting, expanding job opportunities and enhancing productivity and incomes for farmers while protecting soils and increasing forest diversity. The project is working with 1,000 producers, 75% of whom live below the poverty line and 26% are women producers.
Poor countries must have adequate and sustainable resources to prepare for and reduce the risks of climate-related and other disasters, and to be able to implement the global Sendai Framework for Disaster Risk Reduction by 2030.

Disaster preparedness is another priority area for a green recovery. In fact, poorer countries list disaster preparedness as one of their main priorities in a stimulus package, which is not surprising when they are so disproportionately impacted by climate-related disasters: around 85% of the people who experience extreme-weather events live in poorer countries. Cash spending in preparation for future pandemics, fires, floods, cyclones, and other climate disasters and extreme events will help address the current economic and climate crises at the same time, by not only mitigating climate impacts on vulnerable communities but also by creating employment opportunities and delivering positive returns on investment, thereby shielding economies from future shocks.

For instance, Early Warning Systems (EWS) save lives and assets worth at least 10 times their cost. Just 24 hours warning of a coming storm or heatwave can cut the ensuing damage by 30%. Spending $800 million on EWS in developing countries would avoid between $3–16 billion per year in losses. Christian Aid’s own research in Ethiopia and Nicaragua showed the effectiveness of building resilience when drought hit both countries in 2015–16. Farmers who received early warning and early action support secured 45–75% higher maize yields than those who had not. Subsequently Ethiopia’s National Meteorology Agency (NMA) developed a National Framework for Climate Services, highlighting the need for better early warning/early action on droughts and floods to reduce the vulnerability of poor and remote rural populations. But the Ethiopian government and civil society partners now need resources to implement this action and ensure the most vulnerable can benefit.

**Fast-track financing and debt cancellation for poorer countries**

- **Debt cancellation for poor countries**
- **Major increase in international climate finance**

Richer countries have a responsibility to help raise levels of stimulus equivalent to those being mobilized in large economies to assist poorer countries in their own recovery plans. Poor people around the world are already paying the heaviest price for greenhouse gas emissions and ecological destruction caused by the world’s richest countries, corporations and people and the burden is falling hardest on women and girls. A well-funded global green recovery will help address not only the climate crisis, but the longstanding inequity between rich and poor countries.

We do not need to start from scratch to embark on a global green recovery. Many countries already have green projects on the table.
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which have been prepared as part the process of their National Determined Contributions under the UN climate talks (UNFCCC). Now is the time to accelerate these projects and expand them in all countries. But poorer countries with little or no revenues to overcome the Covid-19 pandemic – let alone a green recovery - will need support to do so.

**Debt cancellation**

- G20 countries must cancel debt repayments of poor countries to give them the fiscal space needed to mitigate the impact of Covid-19 and the climate and economic crisis.

Many of the world’s poorest countries were already struggling with a growing burden of unsustainable debt even before the pandemic. In January 2020, a report by Jubilee Debt Campaign found that 15 countries were spending 18% of their revenue on servicing their debts while on average these countries had public spending cuts of 13% between 2015 and 2018, putting huge pressure on investment in healthcare and other essential services. This debt burden has also made it harder for governments to find the money for climate adaptation measures or energy access for energy-poor communities.

As a priority, there needs to be a cancellation of debt principal and interest for 76 low-income countries, including all bilateral and multilateral debt and all debt owed to private creditors. Specifically, the G20 debt suspension initiative (DSSI) for the poorest countries should be extended beyond the end of 2020, to the end of 2022 and should involve cancellation of G20 bilateral debt payments, rather than mere suspension. The World Bank and IMF should also cancel the debt payments owed to them until end of 2022, under a binding and compulsory scheme. Private creditors should be made to do the same under a binding and compulsory scheme.

**International climate finance**

- All donor countries must fulfil their longstanding promise of mobilizing $100 billion annually to support the poorest countries in dealing with the climate crisis and commit to higher levels of climate finance going forward.

Debt cancellation will not generate sufficient cash for a green recovery on its own. Donor countries must act now to fulfill their longstanding promise of mobilizing $100 billion a year to help the poorest countries adapt to the climate crisis and pursue low-carbon development strategies. Donor countries must also commit to significantly higher levels of climate finance going forward. By 2030, poorer countries will need up to $300 billion a year simply to adapt to existing climate impacts, and many times more than this to develop their economies in ways that do not further contribute to climate change.

Instead of loans, the world’s richer countries should provide budget support and grants for poorer countries to minimize the social and economic impacts of Covid-19 and help them recover. Poor countries do not need additional debts, austerity measures, and stalled economic development. Given their historic and ongoing contribution to increased global GHG emissions, it is the responsibility of the richer countries to provide funding to poorer
countries and vulnerable communities to address the double crises of Covid-19 and climate breakdown. It is also a legal obligation for the countries that signed the Paris Agreement. Existing multilateral instruments need to fast-track financing to both crises and internationally agreed upon frameworks such as the Paris Agreement, the Sendai Framework for Disaster Risk Reduction, the Convention on Biological Diversity, and Financing for Development provide a solid starting point for action.
Conclusion

A global green recovery is not a new idea. Similar appeals and demands were made by civil society organizations, climate activists, and academicians a decade ago, when governments were trying to get the world out of recession brought on by the financial crisis of 2008. But things are different this time.

There is the Paris Agreement of 2015, an international binding mechanism, a landmark environmental accord: nearly 200 countries have committed to collectively address the climate crisis. The urgent need to address climate change has also become clearer: the world’s leading scientists have warned that we have less than 10 years (by 2030) to take action to keep global warming below 1.5°C degrees and avoid catastrophic climate crises. It is possible now to transition to clean energy, given that renewable energy technologies have become so much cheaper.

Another key reason for optimism is the high public support for green policies and clean energy transition, making it easy for governments around the world to rally for a global green recovery. A survey conducted in April 2020 shows that 65% of people in 14 countries support a green recovery. In the UK, over two thirds of the Britons surveyed believe that climate change is as serious as the Covid-19 pandemic, and they want governments to address the climate crisis with the same urgency with which they are now fighting Covid-19.

There is widespread public support for policies that promote wellbeing and protect environments, as communities around the world experience cleaner air and clearing skies that have accompanied lockdown.

Therefore a green recovery makes total sense for governments around the world. But it cannot simply be a green recovery in the world’s richer countries that leaves poorer countries behind. Both the pandemic and the climate crisis require global solutions and solutions that address deep-seated social and economic inequalities both between and within countries. The richer countries need to listen not just to governments in the Global South but also to women and girls and other marginalised communities hit hardest by the climate crisis - and by the pandemic in many cases. There is no blueprint for how recovery should happen and for many communities, support and resources to be able to adapt to the effects of climate change may be more important priorities than renewable energy projects. What is clear is that in a cash-strapped environment in which all governments are struggling to guarantee even the most basic rights of their citizens, debt cancellation could prove a vitally effective means of freeing up resources for the world’s poorest countries to fight both the pandemic, the associated economic meltdown – and the climate crisis.

Now, more than ever, we need a green recovery because there are reasons to fear that we could easily leap from the Covid-19 frying pan into the climate fire. However, the crisis has also demonstrated that governments can intervene decisively once the scale of an emergency is clear and public support is present. Green and sustainable fiscal recovery packages can act to decouple economic growth from GHG emissions and reduce existing social and economic inequalities that will be exacerbated by the pandemic in
the short term and by climate change and loss of nature in the medium and longer term.
End notes

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2 Christian Aid. The UK’s climate fair share to limit global warming to 1.5. https://www.christianaid.org.uk/sites/default/files/2020-03/FairShareUK_Infographic.pdf
3 Ibid
5 https://www.ft.com/content/31eb2686-a982-11ea-a766-7c30051f3e47
7 UNECA, cit. op.
9 African countries have seen a 95% drop in revenue since the start of the pandemic (between Jan to June 2020). https://www.uneca.org/sites/default/files/Publish/Files/eca_covid_report_e.pdf. April 2020
10 https://www.ft.com/content/334cfaf6-a876-45b3-9a54-810c4cc5c0c4
12 UNECA, cit. op
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16 Ibid
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23 https://www.unenvironment.org/resources/emissions-gap-report-2019
24 https://www.wri.org/blog/2020/02/greenhouse-gas-emissions-by-country-sector
26 Ibid
27 https://www.economist.com/briefing/2020/05/21/the-pressure-to-make-the-post-covid-rebound-green
30 Ibid
31 Ibid
34 Between 1 to 18 March of this year, 7,960 megawatts (MW) coal-fired plants were permitted compared to the whole of last year, 6,310 MW. See: www.endcoal.org/2020/03/new-report-global-coal-power-under-development-declined-for-fourth-year-in-a-row/
37 https://www.globalenergyinsitute.org/look-iseas-new-global-energy-forecast
38 Ibid
41 Europe’s top oil and gas companies, BP, Shell, Eni, Equinor, Total, are increasing their investment in renewable energy. https://www.ft.com/content/7571fadcc-5889-11ea-ab5e-6e03987b7b20 and https://blogs.platts.com/2020/04/21/big-oil-energy-transition-power-plays/
42 https://www.iea.org/reports/global-energy-review-2020/renewables
46 https://www.climatechangegovernors.com/2020/06/01/japan-launch-green-recovery-platform-ministerial-meeting/
49 The progressive policy think tank (IPPR), Faster, further, fairer. Putting people at the heart of tackling the climate and nature emergency, https://www.ippr.org/files/2020-05/faster-further-fairer-ejc-interim-may20.pdf. May 2020
50 Ibid
In 1960, the highest annual net increase of carbon emissions was around 2000 billion tons of carbon dioxide. This is similar to the concepts of sustainable development, which integrates the economic, social and environmental aspects to enable people to meet their needs without undermining that ability among future generations.

Resilience is about ensuring people can cope with shocks and stresses and seize new opportunities. This is similar to the concepts of sustainable development, which integrates the economic, social and environmental aspects to enable people to meet their needs without undermining that ability among future generations.

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109 See the following sources for more on the disproportionate impact of climate change on women and girls:


113 Multilateral climate funds: Green Climate Fund (GCF); Climate Investment Funds (CIF); Adaptation Fund; Global Environment Facility (GEF); Multilateral Development Banks: African Development Bank (ADB), Asian Development Bank (ADB), International Monetary Fund (IMF), World Bank, Inter-American Development Bank (IADB); and Multilateral institutions: UNOCHA, UNDP.