Monitoring Synergies for Transparent & Accountable Covid-19 Recovery

Karen Holm Olsen, Senior Researcher
Impact Assessment and Adaptation Analysis section
UNEP DTU Partnership
Covid-19 risks and links with sustainability

Global risks:

- Humanity’s overexploitation of nature is one of the factors behind the spread of new diseases from animals to humans, such as Covid-19 (SIDA, 2020).

- The notion of 'Green Swans' indicate events that are either extremely likely or quite certain to occur (pandemics and climate change), as confirmed by science. Yet, their exact timing (when) and form of occurrence (where and how) are unknown (Bank for International Settlements, 2020).

Towards a stronger notion of sustainability:

- Implications of global risks characterised as Green Swans call for a stronger notion of sustainability, mainstreamed into financial and non-financial reporting and accounting to better manage risks, particularly the balance between efficiency and resilience.

Green recovery responses to Covid-19

Green stimulus to fight the COVID-19 economic crisis and the climate crisis
Strong climate policies plus sustained investment can provide valuable jobs, revitalise economies and get the world on track to meeting the 1.5°C Paris Agreement goal.

Pre-COVID-19 pandemic
December 2019 CAT update

Post COVID-19 response
Impact on emissions in 2030
From policy + sustained investment 2020–2030

Rebound to fossil fuels
25–31 GtCO₂e
- 0.4% decrease in green investment + 40.1% increase in fossil fuel investments

Post COVID-19 Current policies *
50–56 GtCO₂e
No change in green investment + No change in fossil fuel investments

Weak green stimulus
40–44 GtCO₂e
+ 0.4% increase in green investment + - 0.1% decrease in fossil fuel investments

Moderate green stimulus
32–35 GtCO₂e
+ 0.3% increase in green investment + - 0.3% decrease in fossil fuel investments

Strong green stimulus
24–27 GtCO₂e
+1.2% increase in green investment + - 0.8% decrease in fossil fuel investments

Historical
incl. LULUCF

1.5°C Paris compatible

2°C consistent

Pre-COVID-19 Current policies

2000 2010 2020 2030

Global greenhouse gas emissions GtCO₂e/year

* Indicative results for post COVID-19 current policies has been calculated on a different basis compared to normal pre-COVID-19 method and excludes any announcement of economic recovery measures to date.

Source: Climate Action Tracker, Update April 2020
Climate impacts of rescue vs. recovery plans

- 92% of existing fiscal rescue plans (quick reactions, mainly worker and business compensation schemes) are assessed to have a 'BAU impact' on the climate.
- The size, significance and design of recovery plans (most governments have not yet decided on these) are expected to have long-term climate and sustainability impacts.
- Five policy areas recommended for a green recovery with significant economic multipliers incl. co-benefits for SDGs:
  1) Green physical infrastructure investment (e.g. RE assets)
  2) Building efficiency (e.g. improved insulation)
  3) Investment in education and training (to address unemployment and structural shifts from decarbonisation)
  4) Natural capital investment for ecosystem resilience and regeneration;
  5) R&D vs. rural support.

Role of the Enhanced Transparency Framework (ETF) of the Paris Agreement

**Review**
- Transparency framework, Compliance and Global stock take

**Plan**
- NDCs under Article 4, Adaptation communications and ex-ante communication on finance

**Implement**
- Action (mitigation and adaptation) and Means of implementation

Objective (long-term temperature goal (2°C/1.5°C); climate resilient and low emissions development; financial flows consistent with such development
Outlook for COP26 (postponed due to Corona)

• COP 26 is the key point for assessing how effectively the “ambition momentum” generated by the UN SG Climate Summit and COP 25 translates into new and updated NDCs and low emission long-term strategies leading to zero net emissions by 2050.

• COP26 is expected to adopt the entire package of reporting tables, outlines and training programme for review experts under transparency MPGs.

• **Opportunity for COP26 to monitor NDC-SDG synergies through the ETF incl. 'faming or shaming' climate and sustainability impacts of green recovery plans from Covid-19.**
Thanks!

Karen Holm Olsen, Senior Researcher
UNEP DTU Partnership
Contact: kaol@dtu.dk