BUILDING BACK BETTER:
POST-COVID-19 RECOVERY PLANNING

A Report for the Aotearoa Circle
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(Forum for the Future)

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1. Executive Summary

“Unlike in the fight against the coronavirus, we already know the vaccines for the climate crisis: renewable energy, electric mobility, recycling and low-energy housing.”

(Svenja Schulze, German Environment Minister)

1. Introduction

At least $5tn has already been committed by governments around the world to prevent their economies imploding. According to many economists, at least as much will be needed to stimulate those economies post-Covid-19. Normal assumptions about debt and inflation are being set aside.

It is no exaggeration to say that the way in which those trillions of dollars are deployed will have a massive influence on the future of humankind. Ideally, no single dollar should be spent that doesn’t simultaneously address today’s twin crises of the Climate Emergency and our collapsing ecosystems.

$CO_2$ emissions reductions of 7-8% per annum, every year, are required to ensure that the average global temperature rise does not exceed 1.5°C by the end of the century. Early estimates show that this is roughly the decrease that we will see as a consequence of reduced economic activity in 2020 caused by the coronavirus crisis; in other words, the tap’s been turned down, but the bath is still filling. This reduction has of course been entirely unplanned, and has been simultaneously devastating for hundreds of millions of people. So a planned descent is now essential.

What governments do really matters: for instance, 70% of investment in renewables is government-driven, according to the International Energy Agency estimate. But we are at least better prepared for this moment. Ten years ago, it was only the UK that had a statutory response to climate change, in its Climate Change Act. Now, 164 governments have climate change commitments enacted in law, and many more have started to sign up to ‘net zero commitments’ by 2050.

It’s equally important that any recovery/stimulus programmes should take full account of the need to repair our devastated natural world. As citizens of New Zealand know only too well, one cannot go on eroding the natural capital foundations on which the nation’s prosperity depends – the point at which the costs of such short-term asset destruction exceed the benefits brings with it many painful consequences.
2. Principal Conclusions

It is still early days in terms of analysing the full extent of government plans to reflate their damaged economies, let alone ensure that the twin crises of the climate emergency and collapsing ecosystems are at the heart of those plans.

However, in comparison to recovery plans brought forward after the 2008 Financial Crash, we can already say that the prevailing rhetoric in response to the coronavirus crisis, preparing the ground for the detailed recovery programmes to follow, is significantly more focussed on climate change and on a raft of opportunities to prioritise public spending in addressing the climate emergency. There is considerable momentum gathering behind the idea of ‘building back better’ in this way.

But this is still mostly rhetorical. Even the EU’s €750bn Next Generation recovery plan (see page 12), which represents the most ambitious climate-focused recovery plan to date, has a long way to go before it can be turned into specific spending plans and delivered projects on the ground. Negotiating such a massive package between 26 countries (even without the UK) is a notoriously complex process.

There is one aspect of the EU’s recovery plan that stands out: its unambiguous commitment to ensuring that the transition from fossil fuels to low-carbon energy and transport systems must be a just transition. In both the US and Europe, this is becoming an increasingly important part of civil society advocacy around low-carbon strategies: policies have to be designed in such a way that those already disadvantaged by current economic orthodoxies, or likely to be impacted by structural shifts in the economy away from fossil fuels, should not be further disadvantaged.

As yet, this is not something that business organisations have fully woken up to. As laid out in Section 3, the very welcome advocacy from progressive businesses and trade associations is extremely significant – ensuring that governments cannot attribute their own inaction and further procrastination to any notional hostility from business. However, all individual companies and all those speaking on behalf of ‘responsible business’ in general need to get on the right side of the ‘just transition’ debate.

They can be sure that NGOs and other civil society actors will be monitoring and commenting on the degree to which both governments and the private sector succeed in meeting this challenge. This report is not about the role of civil society organisations in helping both private and public sector players raise their game, although occasional reference is made throughout the Report to the significance of that contribution.

Finally, from the point of view of partners of the Aotearoa Circle, keen to pick up on examples of good (or even best) practice elsewhere in the world, by far the biggest disappointment in this research relates to the near-total lack of any government leadership on biodiversity, on ecosystem protection and restoration, or on the underpinning value of natural capital for any economy’s prospective recovery.

With the somewhat improbable exceptions of Pakistan (see page 15), Chile (see page 10) and the EU’s new Biodiversity Strategy (in draft before the coronavirus crisis but still
relevant – see page 12), there is little that will provide inspiring case studies for New Zealand to learn from. Indeed, it already seems clear that New Zealand’s unambiguous and distinctive approach to the protection and restoration of its natural capital, as part of the recovery process, would appear to put it out in front on this score.

That is nothing to feel particularly proud of. Addressing the legacy of the last thirty or forty years of mismanagement of New Zealand’s natural capital (of its waterways, marine environment, native forests, soil and biodiversity), is precisely the reason why the Aotearoa Circle has come together at this crucial point in the nation’s history.

This dearth of international examples provides a unique challenge for the New Zealand government and its agencies, for all private sector interests in New Zealand, and for Aotearoa Circle partners in particular. The world is clearly crying out for purposeful leadership in this space, as well as on the Climate Emergency, and New Zealand finds itself with an unparalleled opportunity to provide exactly that kind of leadership.
2. International Institutions

Most of today’s global financial institutions have been profoundly influenced by the
dominant neoliberal consensus of the last 40 years. So it is at least somewhat encouraging
that we are now beginning to hear a very different kind of ‘guidance’ coming from these
sources.

International Monetary Fund Managing Director, Kristalina Georgieva is clear on the IMF’s
priorities: ‘In the minds of some, the health crisis and the “great lockdown” needed to
address it, mean that we can push the pause button in the fight against the other existential
crisis we face—our changing climate. Nothing is further from the truth. We are about to
deploy a massive fiscal stimulus which can help us address both crises at the same time.’ (29
April).

She has itemised three critical measures: 1) ‘When governments provide financial lifelines to
carbon-intensive companies, they should mandate commitments to reduce carbon
emissions’; 2) they should promote green finance; 3) they should put the right price on
carbon.

The International Energy Agency has warned of the massive impact that the Covid-19 crisis
is already having on investments around the world: ‘the Covid-19 crisis is having a major
impact across the energy sector, and threatens to undermine efforts to accelerate clean
energy transitions. Governments can counter this risk and achieve both short-term
economic gains and long-term benefits by making clean energy part of their stimulus plans’.

It has also been explicit on the critical importance of avoiding the mistakes that were made
in recovering from the 2008 financial crisis: ‘From an emissions point of view ... the recovery
from the 2008 financial crisis was energy and carbon intensive’. It offers five key lessons
from the experience of 2008.

The World Bank has produced a ‘sustainability checklist’ for post-Corona stimulus packages,
though it has to be said that this is peculiarly light on anything vaguely substantive regarding
sustainability.

However, an authorised World Bank blog has argued cogently that post-Covid recovery
programmes, particularly in Latin America and the Caribbean, are impossible without
putting ‘natural capital to work for the people’. Forests, fish, freshwater ecosystems and
sustainable tourism are all included. ‘In the aftermath of the coronavirus crisis, it is expected
that the government and the development community will need to rapidly deploy stimulus
packages at scale to spur economic recovery. This provides an opportunity to start defining
ways in which the design of such packages can integrate longer-term sustainability
considerations, including solutions that can boost the economy and deliver positive
environmental outcomes simultaneously. Some examples include reduction of carbon
emissions, conservation of biodiversity, and protection of ecosystem services that underpin
a country’s prosperity and resilience to shocks like pandemics’.
Finally, it is worth mentioning that the most recent Leaders’ Statement from the G20 did not include anything substantive regarding a ‘green approach’ to economic stimulation.

3. International Business

As is well understood by all partners of the Aotearoa Circle, the contribution of business at this time is absolutely fundamental.

Governments tend to listen to the voice of business more than they do to civil society, think tanks or academics. That’s not necessarily a good thing. In many parts of the world, there’s what can only be described as a ‘shared incumbency’, with both politicians and business leaders working closely together to reinforce their prior self-interests (in terms of votes or market share) and to see off more competitive innovators or insurgents. We can already see that in the intense lobbying from hard-pressed carbon-intensive sectors seeking bailouts from their governments without any conditions being attached to that taxpayer support. This is the big debate in the aviation sector. And a lot of that lobbying goes on behind the scenes, beyond the reach of public accountability.

Which means that the voice of progressive companies is going to be even more critical. As are their actions, both in responding immediately to the coronavirus crisis, and in the way they innovate and adapt their business models for the very different world in which they will need to prosper.

Encouragingly, global businesses are already out there saying a lot of the right things in terms of putting the Climate Emergency at the heart of governments’ recovery programmes:

On 4th May, a coalition of major green investors (including the Institutional Investors Group on Climate Change (IIGCC), the Asia Investment Group on Climate Change, CDP, and Ceres) backed by trillions of dollars of assets under management worldwide, joined growing calls for a green economic recovery from the Covid-19 pandemic, arguing that governments ‘should not lose sight of the climate crisis’ as they seek to restart their economies.

The Energy Transitions Commission (a global coalition of businesses) in the fields of energy, industry and finance, which includes the likes of Allianz, BP, Dalmia Cement, Iberdrola, Envision, Heathrow Airport, HSBC, Orsted, Schneider Electric, Shell, and SNAM) explicitly links Covid and climate change in terms of preparedness for shocks: ‘We are ... committed to learn the lessons from the Covid-19 crisis, which has dramatically demonstrated the unpreparedness of the global economy to systemic risks, despite early warnings from scientists’. Online platform Green Business comments that, ‘what is particularly striking about the ETC’s contribution is the combination of specific policy and investment plans and the backing of major carbon intensive companies that a few years ago would have been widely perceived as opponents of rapid climate action’.
On 13th May, 300 of America’s best-known companies appealed to both Chambers of Congress to accelerate a ‘climate-smart recovery’, including putting a price on carbon as soon as possible. CERES, the originator of this initiative, called it ‘the largest-ever business advocacy day for climate action.’ There’s zero chance of President Trump even bothering to read their recommendations, but Green New Deal initiatives in the US are very much at the forefront of political debate, with a growing number of Republicans beginning to see which way the wind is blowing on climate change.

On 18th May, over 150 global companies, with a market capitalisation of $2.4tn, all of which are signatories to the Science Based Targets Initiative, made a powerful case for measures that will speed progress towards a net zero economy. Supported by We Mean Business and the UN Global Compact, this initiative was warmly welcomed by NGOs and by the UN Secretary-General António Guterres.

Where relevant, this Report also references specific contributions to the post-Covid-19 recovery debate coming from the business community in particular countries.

### 4. International Civil Society

This report is focussed primarily on ‘declarations of intent’ from governments and business organisations, reflecting the partners that make up the Aotearoa Circle. But both politicians and business leaders will be acutely aware of the influence of civil society actors on public opinion.

The lion’s share of civil society inputs have focused on the imperative of addressing the Climate Emergency. Wendel Trio, director of Climate Action Network Europe, put it as follows: ‘The Covid-19 crisis is a clear wake up call for humanity to make our societies and the economy more resilient in the longer term. To avoid devastating consequences of climate change in the longer run, we need to develop Paris-compatible long-term strategies and an economic framework to support their implementation’.

Far less attention has been paid by civil society organisations to the idea of putting natural capital at the heart of economic recovery programmes. Apart from eloquent statements from the big conservation organisations (WWF International, Conservation International, The Nature Conservancy, Birdlife International, and so on), the principal exception to this has been the statement on 6th May by a group of leading academics, NGOs and business executives calling for governments to accelerate efforts to scale up the deployment of nature-based solutions capable of simultaneously reducing carbon emissions and restoring natural habitats.

‘Amidst the tragedy of the Covid-19 pandemic and home confinement, many people long for the joy and refuge of nature. The restrictions have heightened our collective awareness of nature’s many benefits — from the tranquility of the outdoors to clean air
and water, natural resources, disease suppression, and the capacity to help slow climate change and protect us from its impacts.’

Today we face the long-standing global environmental crises of climate change and biodiversity loss. We can no longer delay acting on the clear and growing evidence from science and practice that Nature-Based Solutions can help tackle those crises.’

5. Country Reports

Australia

**Declarations of intent from Government**

The federal government of Australia is doggedly sticking with its hydrocarbon-intensive strategy as it seeks to strengthen the economy post-Covid-19. It does not have a net zero emissions goal, and is promoting a recovery programme based on gas, with a token nod to pumped-hydro energy storage projects. The Covid-19 Coordination Commission, announced by Scott Morrison and headed by the former mining executive, Nev Power, has already recommended significant investment in new gas-fired projects, and has ignored questions on whether a net zero emissions target consistent with the Paris agreement should be considered.

**Regional/State/City initiatives**

It’s a very different picture at the state level. South Australia is aiming for the state to run on 100% clean electricity by 2030. Tasmania has launched a draft renewables energy action plan for reaching 200% renewable energy generation by 2040, enabling the creation of a vast clean energy export industry. New South Wales has established three tests for post-pandemic recovery projects: Will they deliver decarbonisation? Will they deliver jobs? Will they deliver faster economic growth? Even in Queensland, there is new-found excitement about the potential to develop a battery manufacturing industry, linked to massive new investments in ‘green hydrogen’, which might eventually surpass the state’s exports of LNG.

**Business**

Australia’s Climate Council is advocating enthusiastically for a ‘resilient recovery’, pointing out that Australia’s success in managing Covid-19 was based on listening to experts and heeding early warnings – so, do the same for climate change. Explicit links are made with Covid-19 by calling climate change the ‘next major threat’. It recommends turning Australia into a major exporter of sustainable technologies and expertise (based on its competitive advantage in sun and wind), recommending massive job creation in the renewables sector. The Climate Council has declined to give support for the Government’s gas-led economic recovery.
Civil Society

Beyond Zero Emissions has launched its ‘Million Jobs Plan’ to pave the way for Australia to become an international economic powerhouse, and a renewable energy superpower in the decades to come. ‘The Australian economy today is ill-equipped to meet the great economic and environmental challenges upon us. The time is now to retool, reskill, future-proof and rebuild our battered economy’.

Canada

Declarations of intent from Government

The Federal Government has announced its Large Employer Emergency Financing Facility (LEEFF), which will provide bridge financing for large Canadian employers impacted by the Covid-19 pandemic. Loans will be made available to Canadian businesses with annual revenues generally greater than $300 million. The objective is to help companies keep their operations going, maintain solvency, and avoid job losses.

The Government requires that all LEEFF recipient businesses should publish annual climate-related disclosure reports ‘to enable investors and other stakeholders to evaluate the company’s approach to climate change and its exposure to climate-related risks, and thereby incentivize companies to develop appropriate climate strategies’.

Much has been made of this plan to use guidance from the Task Force on Climate-Related Financial Disclosures to make disclosure mandatory – Canada would be one of the first governments in the world to do this, which will be of interest to the New Zealand Government.

However, Canada’s determination to develop new sources of hydrocarbons remains undimmed, with Justin Trudeau’s federal government still in thrall to the oil and gas power-brokers in Canada’s western states. After intensive lobbying from oil and gas organisations, for instance, the federal government has agreed to provide $750m to enable companies to meet their obligations to reduce emissions of methane.

Chile

Chile is one of the very few countries that has explicitly linked its Covid-19 recovery plans to its natural capital. In April, as part of its Covid-19 recovery plans, it committed to a more ambitious CO₂ reduction target (to become a net zero emissions economy by 2050) than it originally announced in Paris in 2015, and this includes a number of nature-based
Interventions: to sustainably manage 200,000 ha of native forest and plant another 200,000 ha of forest, as well as reducing emissions from deforestation by 25% by 2030. Chilean Environment Minister Carolina Schmidt commented as follows: ‘This will allow us to focus our plans on a clear objective: to move towards a low-emission, climate-resilient economy, with social, environmental and economic advantages that improve everybody’s quality of life.’

China

Beijing has decided not to set an economic growth target this year for the first time in decades – a move which, theoretically, could help shift China’s recovery away from energy-intensive infrastructure projects. Environmentalists have expressed cautious optimism over this development: “Beijing’s decision to not set an annual GDP target will help prevent the unintended consequences of driving up energy-intensive infrastructure investment” (Li Shuo, Senior Energy and Climate Policy Officer, China).

However, from 1st to 18th March this year, more coal-fired capacity was permitted for construction in China (7,960 MW) than in all of 2019 (6,310 MW). This increase is extremely worrying, and may signal a move by the government to use new coal-fired plants as a means to boost the country’s domestic economy after the slowdown from Covid-19. There have also been indications of Beijing being sympathetic to calls from large Chinese companies to relax environmental regulations to help them recover more rapidly from the downturn in economic activity.

Moreover, there has been no indication as yet of China putting into practice the much vaunted ‘greening’ of its Belt and Road Initiative. This colossal infrastructure and project finance programme, operating across 70 countries, has a planned cumulative investment over 30 years of between $4tn and $8tn. In 2017, Xi Jinping issued new guidance on promoting a ‘Green Belt and Road’, indicating that all future investments would be subject to much more stringent risk assessments and environmental conditions. Experience on the ground demonstrates that China still has a very long way to go in living up to that commitment.

The European Union

Revised State Aid rules were published by the European Commission on 8th May, requiring that large companies should report on how they use public funds, in line with national and EU green goals. But this falls short of mandating climate conditions for stimulus packages – no environmental/climate conditions have been attached to airline rescue loans, with the exception of the French Government’s bailout of Air France (see page 13 below).
In January 2020, before the onset of Covid-19, the European Commission put forward its **Just Transition Mechanism**, alongside a new Sustainable Europe Investment Plan. This was designed to ensure that no-one should be left behind in the green transition as EU countries move away from fossil fuels like coal, lignite, peat and oil shale.

On 26th May, the Commission announced a €750 billion fund (Next Generation EU) to help the bloc recover from Covid-19 – this is by far the most substantive and sustainability-focused recovery programme that has emerged anywhere in the world at this point in the coronavirus crisis. However, it has to be pointed out that these proposals still have to be agreed by the European Parliament and by member states.

**25% of all funding** to be set aside for climate action. This includes a **five-fold increase** for Just Transition funding – now set at €40bn. ‘18 member states are preparing to apply for support to wind down coal sectors, retrain workers and help carbon-heavy businesses pivot to greener activities’. This is particularly important for countries like Poland (see page 16) and the Czech Republic.

**Natural capital** is part of the EU’s recovery plan: ‘On the list is also a proposal to reinforce the budget for a European agriculture fund to help farmers and rural areas implement the Green Deal. The €15 billion fund will help the agriculture sector achieve new biodiversity targets and deliver Europe’s ‘clean food’ supply chain strategy.’

The European Commission has also announced a sweeping new Biodiversity Strategy, with an annual budget of €20bn, with a view to protecting 30% of the continent’s land and sea by 2030. This aims to create hundreds of thousands of new jobs, focusing on tree-planting schemes (three billion trees by 2030), halving pesticide use while ensuring that 25% of farming land is managed organically, with 25,000km of rivers to be restored.

**Business**

The leading green business coalition, the **European Corporate Leaders Group** (including major corporates such as Unilever, Coca-Cola European Partners, EDF, DSM, ACCIONA, Iberdrola, and Sky), has called on EU leaders to reaffirm their ambition to build a net zero economy by 2050, and to put decarbonisation and green jobs at the core of their coronavirus recovery strategy.

**Civil Society**

All these proposals have been broadly welcomed by NGOs and civil society organisations, and seen as a highly significant ramping up of the EU’s overall ambition level. However, **Climate Action Network Europe** has denounced what it sees as a ‘greenwashing’ campaign: ‘The proposal still allows for money to be spent on supporting fossil fuels’ via regional development funding under the ‘Corona Virus Investment Initiative’.
Declarations of intent from Government

On 18th May, President Emmanuel Macron and Chancellor Angela Merkel announced a joint proposal for a €500bn European Recovery Programme. This includes a four-pillar model for reconstruction, with the third pillar seeking ‘to boost the modernisation of the European economy and its business models, particularly emphasising environmental and digital targets’. Macron stressed the need to create conditionalities in the areas of climate change, biodiversity and the environment. However, no details have as yet been announced by the Government.

Much of the coverage in France has focused on the bailout conditions imposed on Air France. Bruno Le Maire (Finance minister), said Air France would have to become ‘the greenest airline in the world’ in return for a €7bn bailout. This means reducing the carbon intensity of its overall operations by 50% by 2030, cutting absolute emissions within France by half by 2030, using 2% renewable jet fuel by 2024, and drastically reducing the number of flights of less than 2hr 30mins duration that compete with rail services’.

Bloomberg Green commented as follows: ‘France’s €7 billion bailout for Air France-KLM has green strings attached, including the need for the airline to eliminate short-haul flights for routes covered by high-speed trains’. But according to Airline Bailout Tracker, these conditions are non-binding.

France has also announced a €7bn rescue plan for its huge automotive sector, at least €1bn of which will be used to incentivise car owners to purchase EVs (with individual grants up to €12,000. The strategic intent behind this is to try and make France Europe’s centre for EV production.

Business

On 3rd May, over 90 of France’s largest businesses (led by Jean-Laurent Bonnafé, Director General of Paris Bas and Chair of Entreprises pour l’Environnement) issued a public call for the government to prioritise the country’s ‘ecological transition’ in its economic recovery plans, reiterating their commitment to climate action. They urged the government to ‘channel a large proportion of the financial resources earmarked for economic recovery into the areas already identified as supporting ecological transition’.

‘To address the crisis beyond the short term, we will need to deploy collective intelligence in the post-pandemic world, envision far-reaching changes to our methods of production, business models, consumer behaviour and lifestyles, and rethink our relationship with nature. Let us use the present challenge we are facing together as an opportunity for us all to put the environment at the core of a collective rebound.’
**Germany**

**Declarations of intent from Government**

At the end of April, at the 11th Petersberg Climate Dialogue, Chancellor Angela Merkel called for climate action to be incorporated into economic reconstruction plans following the pandemic, including investments in future-oriented technologies such as renewable energy. However, yet again, we have yet to see what this will amount to in practice; the Government’s €9bn bailout for Lufthansa was short on any explicit sustainability conditions.

In commenting on the importance of investing in ‘future-proof jobs that would help greenhouse gas emissions in coming years’, Environment Minister Svenja Schulze commented as follows:

‘Unlike in the fight against the coronavirus, we already know the vaccines for the climate crisis: renewable energy, electric mobility, recycling and low-energy housing.’

**Business**

Top German politicians and an alliance of 68 large German and international companies have urged the German Government to ensure that Covid-19 economic stimulus packages should be climate-friendly. ‘Closely link economic policy measures aimed at overcoming the corona and climate crises, and systematically ensure that all relevant stimulus and investment programmes are climate-friendly’.

**India**

With a number of renewable energy manufacturers looking to shift their base from China to diversify supply chains in the wake of the Covid-19 pandemic, the Ministry for New and Renewable Energy has urged states to provide incentives for setting up designated manufacturing hubs in their economic development areas. One reason for this continued support is the fact that solar already offers far cheaper electricity than coal: 2.5 rupees per unit compared with around 4.5 rupees for new coal capacity.

“The resilience of the renewable energy model was established during the lockdown. The pandemic has tipped the scale in favour of renewables for cleaner and cheaper power”, said Abhishek Danra, Senior Director at S&B Global Ratings.

Private capital will be crucial. With a looming global recession, and an Indian government strapped for cash while still fighting the pandemic, there will be no trillion dollar recovery package available to accelerate India’s clean energy transition. So far, Prime Minister Modi has announced a very modest $300bn stimulus package focussed on making India’s businesses more resilient and self-reliant.
It has been widely anticipated that public pressure will play a huge role in determining how the government responds. In a recent poll from Ipsos Mori, 81% of people in India indicated they were ‘strongly in favour’ of a green and healthy recovery. The recent experience of cleaner air and the drastic drop in pollution levels due to coronavirus lockdowns have resulted in growing demands to strengthen India’s National Ambient Air Quality Standards. As a result, any return of India’s poor air quality and regular smogs can be expected to trigger a much stronger public response.

### Italy

As of the end of May, Italy has made very few commitments regarding its recovery spending, though it has been supportive of the EU’s planned recovery package. It recently signed a public commitment with 16 fellow member states to ensure that the recovery should be as green as possible, with particular emphasis on wind power. There will also be a significant programme subsidising the sale of solar panels.

However, there has been little discussion of support for other sectors being made conditional. Bloomberg Green has commented that: ‘The Italian government’s €3 billion support plan targeting Alitalia has no green conditions’.

### Cities

By far the most substantive contribution in Italy at the moment has come from Milan. In April, it committed to converting 35km of its roads to support cycling and walking, with a view to reducing road traffic by a very significant margin. Rather than get endlessly bogged down in further debates about this, construction work has already started, and much of the programme will be delivered over the course of the next few months.

This has been much commented on in Europe, with cities like Berlin and Dublin now indicating that they intend to follow suit. As do London and Bristol in the UK.

### Pakistan

**Declarations of intent from Government**

As regards natural capital, one of the most striking government-led initiatives in response to the Covid-19 crisis has come from Pakistan, with measures already under way, rather than remaining in discussion.

Pakistan’s government is offering labourers who are out of work due to the coronavirus crisis, a chance to earn money by planting trees. Unemployed day labourers have been
given new jobs as ‘jungle workers’, planting saplings as part of the country’s 10 billion ‘Tree Tsunami’ programme.

More than 63,600 jobs have been created, with the focus on hiring women and unemployed daily workers – mainly young people – who were migrating home from locked-down cities. Malik Amin Aslam, climate change advisor to the Prime Minister Imran Khan: ‘This tragic crisis provided an opportunity and we grabbed it: nurturing nature has come to the economic rescue of thousands of people.’

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**Poland**

*Declarations of intent from Government*

Poland has been one of the most recalcitrant member states in the EU in terms of support for the bloc’s low-carbon initiatives. Even though it theoretically supported the EU’s [Just Transition Declaration](#) (announced at COP24 in Katowice), it simultaneously announced a new energy strategy indicating that Poland would still be producing 60% of its energy from coal in 2030. Poland employs roughly a third of the 237,000 people working in the EU coal industry across the EU generating most of its electricity from coal. It has not yet committed to the EU’s 2050 climate goal.

This might now change as a result of the Commission’s agreement to pump €40bn into its Just Transition Fund, announced on 26th May. Polish Prime Minister Mateusz Morawiecki has described this proposal as ‘very good news’, meaning that an extra €6bn would be available for Poland’s coal-dependent regions.

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**Scotland**

*Declarations of intent from Government*

Scotland already has a [Just Transition Commission](#), which is charged with producing a full report by 2022. Its high-level aims are to: ‘1) plan, invest and implement a transition to environmentally and socially sustainable jobs, sectors and economies, building on Scotland’s economic and workforce strengths and potential; 2) create opportunities to develop resource efficient and sustainable economic approaches, which help address inequality and poverty; 3) design and deliver low carbon investment and infrastructure, and make all possible efforts to create decent, fair and high value work, in a way which does not negatively affect the current workforce and overall economy’.

First Minister [Nicola Sturgeon](#) has confirmed just how important this kind of strategy is going to be: ‘As we address the current coronavirus crisis, we must not lose sight of our climate ambition, and must work together as we seek to build a greener, fairer and more
equal society and economy’. Scotland is already by far the biggest contributor to the UK’s burgeoning renewable energy sector.

South Korea

Declarations of intent from Government

President Moon Jae-in has committed to linking the already-existing Digital New Deal to a Green New Deal: ‘It’s clear that the Green New Deal is the way for us to go. It’s necessary to lay out a grand plan for the Green New Deal to harmonize with the establishment of digital infrastructure.’ This plan will build significantly on the existing ‘green growth’ strategy, with a much clearer focus on sustainability and combating climate change.

Soyoung Lee, youngest member of the South Korean parliament for the ruling Democracy Party, is a driving force in the Government’s ‘green new deal’. Lee piggybacked on South Korea’s relative success in managing the coronavirus crisis: ‘We will do our best to make South Korea a model of sustainability, as it has been in its handling of Covid’. But she estimates that only ‘10 of the 300 legislators are seriously committed to climate issues - it is definitely still not mainstream’.

This is seen most clearly in the South Korean Government’s continuing ambivalence around the future of coal. For many, the central test of the Government’s convictions will be implementing cuts to domestic coal consumption (South Korea is still planning to generate 30% of its electricity from coal in 2030), and in the overseas financing of coal projects.

UK

Declarations of intent from Government

Commentators in the UK are observing a ramping up of green rhetoric from the Government as the emphasis shifts from rescuing the economy to restoring the economy. Prime Minister Boris Johnson has made a number of theoretical commitments along those lines: ‘Once we move beyond the emergency phase, we owe it to future generations to ‘build back better’ and base our recovery on solid foundations, including a fairer, greener and more resilient global economy.’ He has confirmed on a number of occasions the UK’s commitment to its net zero emissions goal by 2050.

However, when it comes down to it, no-one is at all sure what this really amounts to. For instance, he has demanded that the aviation industry should lower its carbon emissions, but no green conditionality has been attached to any loans or bailouts.
That said, the UK Government is now focusing on transport policy. It has announced plans for 2,500 high-powered electric car charge points across motorways and A-roads by 2030, rising to 6,000 by 2035 (there are just 800 at the moment). It has also introduced a £250m Emergency Active Travel Fund to support the development of pop-up bike lanes, wider pavements, and cycle and bus-only corridors. The Department for Transport says this is the first stage of a £2bn programme designed to embed the increase in walking and cycling that has occurred during the nationwide lockdown, backing this up with statutory guidance to local authorities to reconfigure road networks for cyclists and pedestrians.

The Treasury has also announced a new Clean Growth Fund, a public-private venture fund amounting to £40m, with an ambition to increase this to £100m by the end of 2021. The focus will be on many different aspects of the green economy.

In all this, the Government (hopefully) is listening to its formal advisors, the Committee for Climate Change. The Committee has emphasised six principles for a resilient recovery, with a particular focus on ways of kick-starting the economy through labour-intensive investments to reduce greenhouse gas emissions.

**Opposition party initiatives**


**Regional/State/City initiatives**

Following the example of Milan, Bristol City Council aims to make much of the old city area free of traffic by the end of summer 2020. Bristol’s Mayor, Marvin Rees, commented as follows: ‘We are taking on the challenge of Covid right here and now, but also dealing with the wider challenges of social inequality, social immobility and climate and ecological emergencies.’

At the same time, London’s Mayor, Sadiq Khan, announced its new ‘London Streetspace’ programme on 6th May, aiming to transform many of London’s streets to accommodate a ten-fold increase in cycling, and a five-fold increase in walking, as soon as soon as the lockdown restrictions are eased. This will have a huge impact on the entire city.

**Business**

On 19th May, a coalition of UK-based manufacturers (as members of MakeUK) demonstrated strong enthusiasm for a recovery strategy based first and foremost on driving energy efficiency, welcoming confirmation of the Government’s promise to allocate £9bn towards energy efficiency schemes of one kind or another over the next decade. This powerfully reinforced the conclusions of the National Engineering Policy Centre, representing 39 major engineering organisations in the UK.

On June 1st, a letter from 206 major UK companies called on the Prime Minister to ensure a “clean, just recovery that creates quality employment, and builds a more sustainable,
inclusive and resilient UK”. Crucially, the letter calls on the Government to ensure that any companies receiving financial support from the taxpayer are “well-managed, and their strategies are science-based and aligned with national climate goals”.

**Civil Society**

There is an enormous (if informal) coalition of civil society organisations and NGOs calling for a ‘Green New Deal’ of one kind or another. The UK’s [Build Back Better](https://buildbackbetter.org.uk) (hosted by [Green New Deal UK](https://www.greennewdeal.org.uk)) has emphasised the importance of learning the lessons of Covid-19 in its call for ‘a robust, shockproof economy’, with a much clearer focus on equality, public services, investment in people, and solidarity.

There are also many food-related organisations and campaign groups calling for more resilient, diverse, sustainable and fairer food supply chains. This is a very active area of debate.

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**United Arab Emirates**

**Declarations of intent from Government**

Dr. Thani bin Ahmed Al Zeyoudi, Minister of Climate Change and Environment: ‘The only way to come out of this pandemic while giving our future generations the climate-safe world they demand and deserve is by factoring in climate change mitigation and adaptation in the recovery plans. Accelerating the deployment of renewables and pursuing a green economy should be a top priority at this stage. Here is where offering economic incentives in line with our climate goals will enable companies to reach their green potential, and help implement long-term climate strategies’.

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**USA**

**Declarations of intent from Government**

There are no discussions going on anywhere in the federal government to base any future recovery spending on decarbonisation plans, or wider nature-based climate solutions. Indeed, there is an unremitting hostility towards anything that even mentions climate change. There were therefore no climate conditionalities in its $2tn Corona relief package, and President Trump has further promised to help struggling fossil fuel firms and to provide a $25bn bailout to the airline sector without any climate conditions.

**State/City initiatives**

The US Climate Alliance of 24 US States (representing 55% of the US population, 40% of US greenhouse gas emissions, and $11.7tn of economic activity – if the Alliance was a country,
it would be the third largest economy behind the US and China) is committed to ‘lead on climate action while growing clean energy economies, improving public health and building more resilient communities. It is a strong advocate of a massive Green New Deal. Since the onset of Covid-19, a number of States have made powerful statements of their own, but there has to been no joint statement from the Alliance itself.

The Mayors of Los Angeles, Boston, Chicago, Houston, New Orleans, New York, Portland, San Francisco and Seattle have all signed up to a ‘statement of principles’ issued by the C40 group of cities to help shape the recovery from the Covid-19 pandemic:

- No return to ‘business as usual’
- Climate action to help accelerate economic recovery and enhance social equity
- Consistent adherence to public health and scientific expertise
- Restoration of world-class public services
- A ‘just transition’ to benefit the least well-off
- More effective planning and infrastructure investment to ensure greater resilience

For instance, Los Angeles is devising strategies to ensure that the homeless population that had to move into emergency shelters does not return to the streets after the pandemic.

**Opposition party initiatives**

As on many previous occasions, the Democrats seem less than fully committed in their support for a low-carbon strategy or wider sustainability measures. Most commentators have observed that Joe Biden puts little emphasis on the Green New Deal, focusing primarily on ‘a trillion-dollar infrastructure program that can be implemented really rapidly’, whilst vaguely talking about environmental improvements ‘that create good-paying jobs’.

**Business**

Microsoft, Mars, Dow, Starbucks, Nike, and Visa join hundreds of US businesses to lobby lawmakers to deliver a ‘climate-smart’ recovery from the coronavirus pandemic. Calls for recovery packages to spur an accelerated transition to a net zero emissions economy by at least mid-century and for a wave of new federal investment in climate resilient infrastructure. This has been described by investor-backed corporate climate advocacy group, Ceres, as the ‘largest ever business advocacy day for climate action’.

**Civil Society**

As in the UK and the EU, there is an extremely active debate amongst civil society organisations looking at all sorts of opportunities for a ‘green new deal’. This debate has been under way for the last 18 months or so, but has been significantly reinforced by the Covid-19 crisis. It will also feature prominently in the economic debates running up to the presidential election later in the year.