

How can COVID-19 recovery spending slow climate change?

UNEP's Emissions Gap Report 2021 finds that greenhouse gases need to fall by close to 50% by 2030 to limit global warming to 1.5°C, but Nationally Determined Contributions (NDCs) under the Paris Agreement are still insufficient. This factsheet looks at how low-carbon recoveries from COVID-19 can reduce greenhouse gas emissions.

Why is a green pandemic recovery important?

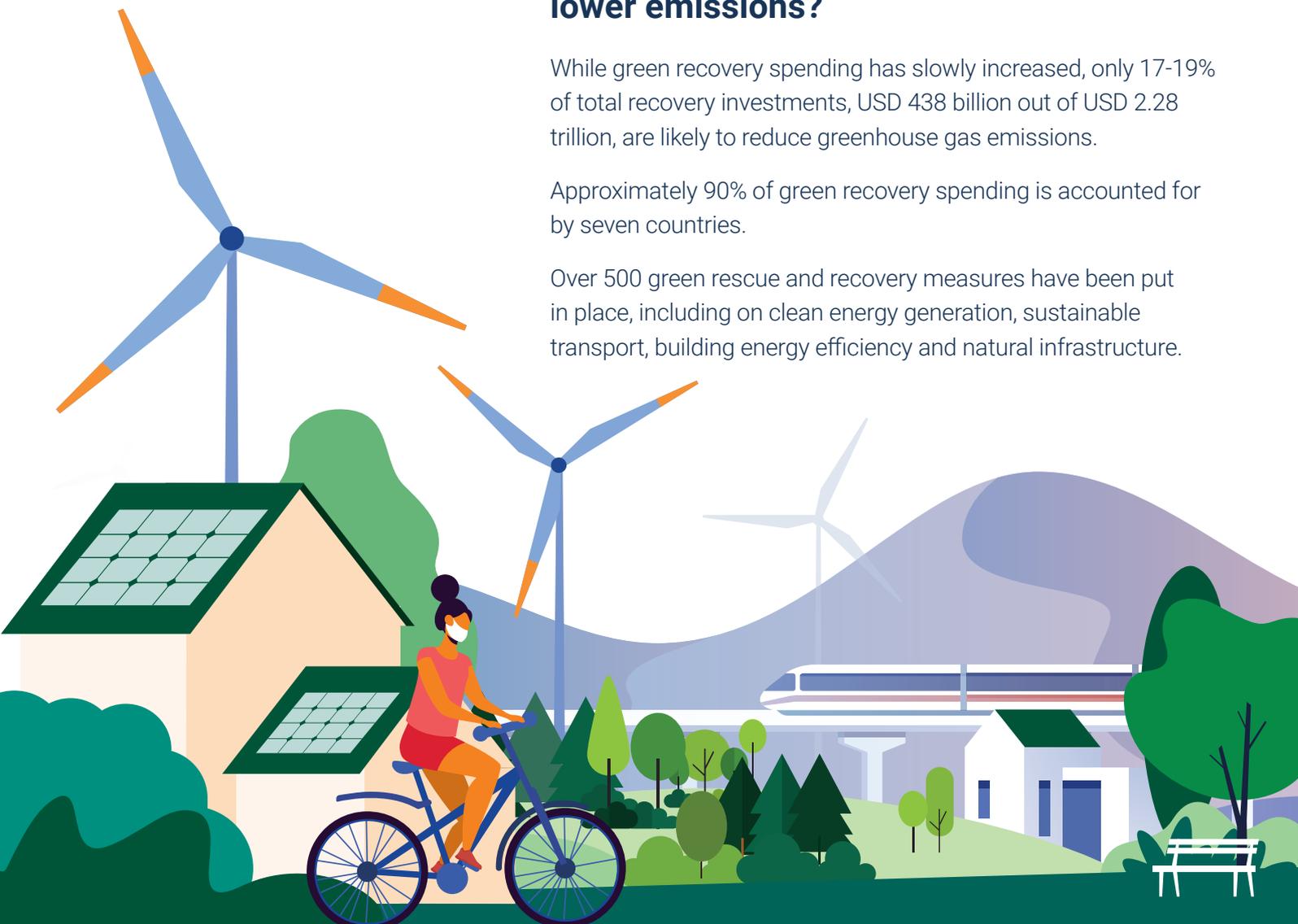
Governments are putting trillions of dollars into the economic recovery from COVID-19. If this money backs polluting and high-emitting industries, societies could face years of lock-in to business-as-usual and higher emissions. But if this resource goes to low-emission, climate-resilient measures, the world can limit global temperature rise and adapt to unavoidable impacts. Low-carbon recovery measures won't just slow climate change. They will create jobs, lower air pollution, increase human health, protect nature and reduce inequality.

Is recovery spending so far targeting lower emissions?

While green recovery spending has slowly increased, only 17-19% of total recovery investments, USD 438 billion out of USD 2.28 trillion, are likely to reduce greenhouse gas emissions.

Approximately 90% of green recovery spending is accounted for by seven countries.

Over 500 green rescue and recovery measures have been put in place, including on clean energy generation, sustainable transport, building energy efficiency and natural infrastructure.



Where should recovery spending go to close the emissions gap?

Green recovery measures won't just slow climate change. They will create jobs, lower air pollution, increase human health, protect nature and reduce inequality. Recommended areas for green investment include:



Sustainable public transport



Clean energy infrastructure



Energy efficiency upgrades



Natural capital



Clean research and development



Green skills retraining initiatives

How can lower-income nations recover sustainably?

Total per capita recovery spending to May 2021:

\$11,826

Advanced economies

\$578

Emerging markets and developing economies

\$57

Low-income countries

Developing economies, emerging markets and low-income countries have been hit hardest by climate change and the COVID-19 pandemic. In 2020, an estimated 120 million additional people were living in poverty, while low-income countries are expected to disproportionately suffer from climate impacts, including extreme weather, less drinking water and crop failures.

Key measures to unlock finance for lower-income nations to recover green include:

- Debt forgiveness
- Direct grants and concessional finance
- Concessional finance for green and blue bonds
- Guaranteeing private sector debt
- Redistributing multilateral finance

The IMF issuance of USD 650 billion in Special Drawing Rights could strongly support a green recovery if funds are directed to green investments.