Green Recovery

UN environment programme

More than a year since the onset of the COVID-19 pandemic, the global economy is at a tipping point. While governments have responded swiftly, recovery spending has so far missed the opportunity to accelerate action on the climate, biodiversity, and pollution crises. A green recovery would enable countries to build back better, with green investments driving economic growth, short-term job creation, and significant environmental and social benefits.

Key messages

- COVID-19 has jeopardized livelihoods, disrupted labor markets on an unprecedented scale, and widened existing inequalities within and between countries. Global Human Development Index scores have seen their steepest drop since 1990.
- COVID-19 recovery spending is an opportunity for governments to chart a new course for sustainability. UNEP's Emissions Gap Report found that a green recovery could cut 25 per cent off 2030 emissions, putting the world on track to a 2°C pathway.
- Green investment can provide the secure growth and economic returns needed for recovery, whilst addressing pressing environmental and social concerns. The social co-benefits of carefully-designed green economy policies – for example clean energy, clean transport, green building upgrades, natural capital, and clean R&D – can have positive impact on health and food security. Green investment can also bring more jobs in the short-term, as well as greater economic value per dollar spent.
- Infrastructure is integral to job creation, productivity, growth, and investment. But only sustainable infrastructure should be pursued – otherwise we will lock in the carbon-intensive and destructive practices that have contributed to these crises. Fossil fuel investments today are out of step with the need for systematic global decarbonization. Every dollar spent on unsustainable infrastructure is a missed opportunity to transition to greener economies.
- Exemplary green investments can provide a template, but the conversation cannot stop at spending policy. Several nations have announced green recovery investments that can serve as a template for others, such as France's energy efficiency upgrades for buildings, Pakistan's reforestation scheme to create jobs, and EV promotion in Poland. However, research indicates that spending policies alone are not sufficient to drive an inclusive recovery. One of the key lessons of the Great Recession is that stimulus efforts need to be followed by reforms that address key market failures in pricing externalities, such as removing environmentally harmful subsidies for fossil fuels and unsustainable agriculture practices.

Key data

- Of the US$ 14.6 trillion in fiscal measures announced by the world's fifty largest economies to address the pandemic crisis in 2020, only 2.5 per cent was allocated to green investments. More importantly, only 18 per cent of COVID-19 recovery spending in 2020 will have a positive green impact.
- Despite the quickening pace of ecosystem destruction and links between zoonotic diseases and habitat loss, only 3 per cent of COVID-19 recovery spending in 2020 has gone towards supporting natural capital.
- Over 40 per cent of G20 recovery energy investments have been directed towards fossil fuels.
- Investment in energy efficiency and renewables generates five times more jobs per US$ 1 million spent than investment in fossil fuels.
- Nature-based Solutions like habitat restoration, reforestation, coastal protection, and invasive species removal create jobs at over 10 times the rate of fossil fuel sectors.
- 1.2 Billion jobs (40 per cent of total employment) depend on a healthy environment.

Further Reading

Building a greener recovery
Emissions Gap Report 2020
Investing in sustainable and resilient infrastructure: principles for recovery
Engel, H. and Hamilton, A., et al. (2020). How a post-pandemic stimulus can both create jobs and help the climate, May, 2020,
ILO World Employment and Social Outlook Trends 2019

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