# Integrating the fight against the Coronavirus Crisis and Climate Change

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*"The impact of the coronavirus is immediate and dreadful. We must act now and we must act together. Just as we must act together to address another urgent global emergency that we must not lose sight of – climate change."* (António Guterres, April 28, 2020)[1].

The coronavirus pandemic has brought the interconnectedness of the „One World", the interdependency of all countries and the economic vulnerability of the globalized world economy, into public awareness like no other crisis after the Second World War. The pandemic called for immediate and joint action by the world's nations to contain the disease and its potential damage. According to this threat unprecedented, fast decisions and determined actions can be seen around the globe.

But no similar urgent measures have been decided on climate change and *"to emerge from emergency"*[2] although we are facing the most threatening and possibly irreversible damage caused by Climate Change.

This is because, faced with imminent health risk and faltering economy, attention of governments and people around the world tend to be detracted from climate change. Extremely low fossil fuel prices could also discourage energy efficiency improvement and make clean energy less competitive vis-à-vis conventional energy sources. Furthermore, current low fossil fuel prices due to the Coronavirus crisis can cause, social destabilization risks in countries currently dependent on exports of fossil fuels and thus may have severe impacts on the international security of supply.

Yes, $CO_2$ emissions would fall this year (by 8%: IEA estimate[3]) as a result of the impact of the coronavirus on the economy. Clearly this is not the result of governments and companies adopting new policies and strategies but simply the outcome of sharply depressed economic activities. And *„as after previous crises [...] the rebound in emissions may be larger than the decline, unless the wave of investment to restart the economy is dedicated to cleaner and more resilient energy infrastructure"*.[4]

Effective climate mitigation, and an economically as well as socially responsible transition to decarbonized economies, would take several decades, because of long lasting investment cycles in power plants, buildings, and transport infrastructures ("lock-in effects"). Therefore, an ambitious fight against climate change allows no further delay; for example, G20 Osaka Leaders' Declaration recognized the urgent need for addressing complex and pressing global issues and challenges, including climate change, and for promoting and leading energy transition. Furthermore, the European Parliament has declared climate emergency in 2019 while the

[1] Guterres, António (2020): A time to save the sick and rescue the planet. The New York Times. April 28, 2020. https://www.nytimes.com/2020/04/28/opinion/coronavirus-climate-antonio-guterres.html

[2] Club of Rome (2020): Emerging from the Emergency: Key Policy Recommendations to G20 Leaders. https://clubofrome.org/impact-hubs/climate-emergency/emerging-from-the-emergency-key-policy-recommendations-to-g20-leaders/?owa_medium=feed&owa_sid=

[3] IEA (2020): Global Energy Review 2020. IEA, Paris. https://www.iea.org/reports/global-energy-review-2020

[4] IEA (2020): Global Energy Review 2020. IEA, Paris. https://www.iea.org/reports/global-energy-review-2020

Japanese government announced in its long-term strategy that it would make swift implementation of climate actions and rapid efforts for decarbonization.

The Coronavirus Crisis should be a wake-up call for all countries to step up their efforts against climate change quickly, collectively and with ambition, in light of the view that the global temperature rise might lead to various rounds of infectious disease, and connect it as much as possible with the recovery programs to overcome the pandemic's aftermath.

**The GJETC appeals to all policy makers to combine the enormous government stimulus programs on combating the pandemic with ambitious measures for mitigating climate change as one of the most important challenges for humanity and to decide on substantial activities to reduce the long-term risks of climate change as well.**

In April and May 2020, the Japanese government announced a series of stimulus packages in the order of $2 trillion, Japan's largest ever, to mitigate the impact of the coronavirus outbreak. At the same time, the German government has agreed a stimulus package worth over 750 billion euros ($810 billion). For the moment, important tasks are primarily to provide indispensable finances or grants to avoid bankruptcy or immediate living difficulties. But another series of stimulus packages would follow, when the low turning point of the economic crisis has been reached.

To finance these programs, new public debt is unavoidable. But the financial burden can be distributed in a just and sustainable way in Post-Coronavirus times. This will be inevitable, if humanity takes the unique and maybe last chance to direct the unprecedented huge global economic recovery packages towards a secured, affordable and sustainable energy transition.

Directing the stimulus programs towards promoting inefficient and high carbon projects due to sharply lower oil price, would mean to lose not only many opportunities for innovation and decarbonizing business fields, but to lose the fight against global warming as well.

Such mobilization of global economic recovery packages to secured, affordable and sustainable energy transition could facilitate the global community to move towards a decarbonizing pathway suggested by the IPCC, which is in line with the Paris Agreement.

And many studies have globally confirmed that forced climate protection has a positive overall economic balance.

For example: a paper recently published in the Oxford Review of Economic Policies[5] identified, based on a survey of economic experts from G20 countries, five policies with high potential for both positive economic multiplier and climate mitigation impacts, including clean energy infrastructure investment and clean R&D spending.

**The GJETC shares the view that climate protection programs could pay off in two ways, through avoided damage costs and through current economic net profits. The GJETC also highlights the**

[5] Hepburn, C.; O´Callaghan, B.; Stern, N.; Stiglitz, J.; Zenghelis, D. (2020): Will COVID-19 fiscal recovery packages accelerate or retard progress in climate change? Smith School Working Paper 20-02. https://www.inet.ox.ac.uk/files/Hepburn-et-al-2020-Will-COVID-19-fiscal-recovery-packages-accelerate-or-retard-progress-on-climate-change-EMBARGOED-5-MAY-2020.pdf

**crucial need of demonstrating economic and employment benefits of clean energy packages at the time of economic predicament after the Coronavirus crisis.**

*„Large-scale investment to boost the development, deployment and integration of clean energy technologies – such as solar, wind, hydrogen, batteries and carbon capture (CCUS) – should be a central part of governments' plans because it will bring the twin benefits of stimulating economies and accelerating clean energy transitions."*[6] The implementation processes and the cost/benefit relations of new energy technologies may differ according to the specific conditions in countries and regions.

The pursuit of the energy transition in the context of economic recovery packages needs to be backed by robust cost-benefit analysis without sacrificing affordability of energy demands. As the public and private sectors will have experienced severe economic burdens due to the Coronavirus crisis, it is especially crucial that precious financial resources are used effectively.

The European Commission is advocating an „EU Green Deal" driving new „GreenTech" lead markets and making Europe the first climate neutral continent by 2050. The European Parliament called on the Commission to propose a recovery and reconstruction package that *"should have at its core the Green Deal and the digital transformation in order to kick start the economy."*[7] There are ongoing debates with some member states with different views.

In the U.S., while the Trump administration has announced its withdrawal from the Paris Accord, the last decade witnessed a decline of emissions thanks to substituting coal by gas and steady deployment of both renewables and energy efficiency. The former was realized by competitive gas prices, while one of the main drivers of the latter has been the adoption of EERS (Energy Efficiency Resource Standards) and RPS (Renewable Portfolio Standards) by a substantial number of the US federal states.

The GJETC expects that the coronavirus crisis will also trigger a change in values and in social behavior, e.g. discourses about benefits and drawbacks of global dependencies as well as on the advantages and disadvantages of regionalization, more social solidarity, appreciation and adequate remuneration for system-relevant work and services, new experiences due to less frequent car and flight mobility, regional tourism, internet-supported communication and work, and many other new developments.

All of these possible societal shifts will have a significant impact on the energy sector. When it comes to the provision and use of energy, the question will arise more than ever how this will promote resilience and sustainability.

The GJETC emphasizes that in the light of the Coronavirus crisis, efforts must be significantly increased in all areas of energy and climate protection policy. This includes the more ambitious

[6] IEA (2020): Global Energy Review 2020. IEA, Paris. https://www.iea.org/reports/global-energy-review-2020

[7] European Parliament (2020): COVID-19: MEPs call for massive recovery package and Coronavirus Solidarity Fund. Press Release Plenary Session April 17, 2020. https://www.europarl.europa.eu/news/en/press-room/20200415IPR77109/covid-19-meps-call-for-massive-recovery-package-and-coronavirus-solidarity-fund

implementation of the "Energy Efficiency First" (IEA) concept in all sectors, education for sustainability at all training levels, as well as internationally coordinated programs for R&D&D, including joint pilot projects in lead markets for Green and Blue Tech such as Circular Economy (incl. Carbon Recycling) and Digitalization to foster the energy transition.

This also raises new tasks for scientific cooperation between Japan and Germany. Responsible and cooperative science can provide reliable orientation and decision-making knowledge for policymakers, businesses, and civil society. After four years of fruitful cooperation, the members of the GJETC feel more than ever committed to this transformative and evidence-based science.