INTERNATIONAL WEBINARS AND LIVE EVENTS

E-Seminar: Covid-19 and Climate Change: Lessons and Challenges
16 April 2020, by Centre for International Environment Studies (CIES)

Ms Joëlle Noailly, Head of research, CIES

1. Covid-19 vs Climate Crisis

Both are examples of **global externality**. Government intervention is justified to deal with externalities.

Both crises can be seen as interrelated (e.g. climate change will likely bring more infectious diseases in the future). The **major differences**:

a) **time-scales**: climate change happens at a much slower pace than contamination by infectious diseases;
b) the **impact** of one's actions **is much less visible** for climate change;
c) the **scale and complexity** of the problem is much larger in case of Covid-19.

The Covid-19 crisis may serve as a small-scale laboratory experiment to educate the public opinion about some aspects of climate change. **Potential lessons**:

a) **Role of science** (more attention to scientific research);
b) **Dynamics** (exponential growth, nonlinearity, lags between policies and effects);
c) **Role of collective action** (the coordination efforts matter);
d) **Equity and vulnerable populations** (some groups are more affected than the others);
e) **Emotional reactions** (anxiety, solidarity, creativity).

2. Impact of Covid-19 on global C02 emissions

Drop in GHG emissions due to halt of economic activities, halt on flights and road traffic led to an immediate drop in emissions → global carbon emissions from the fossil fuel industry could **fall by 5% this year**.

However, the drop is **temporary** – as soon as the economic activity restarts, the emissions will increase.

After the financial crisis of 2008-2009, CO2 emissions fell by 1.4% in 2009 and rose again by 5% in 2010. **Reasons** to this: Economic stimulus, low oil prices, and, especially, **growing energy demand from developing countries**.

Impact of Covid-19 on emissions: Unclear whether Covid-19 could lead to **long-lasting** societal changes. **Possible consequences**: Less commuting and business travel; More local sourcing and less shipping of goods; More responsible consumer behaviour. However, **none of these actions will derail global GHG emissions** from their upward trend driven by energy consumption and basic needs from the developing world.

3. Challenges for environmental and climate policy

Policy Challenges: Environmental regulations and climate are often the victim of economic downturns.

Already some **lobbying** from crisis-hit industries to **remove costly environmental regulations**: e.g. **US** (EPA suspended enforcement), **EU** (calls to cancel Green New Deal and delay automobile standard regulations), **Switzerland** (calls to limit C02 tax).

An economic perspective: how to ensure that environmental and climate goals are not neglected in the Covid-19 crisis? Careful choice of policies should consider:

a) **No waste of economic stimulus'** public money**;**
b) Today's decisions and policy signals **will affect investments, infrastructure and technological innovation** for many years to come

Green investments: in the **short-run**, the green investments are **unlikely** to help to **restart** the economy. In the **medium-run**, green investments are affected by **changing budgetary and political priorities**.

There is a need to **reorient** rather than restart the economy. It makes sense in the short-run to invest in **infrastructure resilient to climate risks** so that the money is not wasted. It is also important to maintain and strengthen **carbon pricing signals**, despite Covid-19 pandemic.

COP26 postponed to 2021: It will be the first revision of ambitions and NDC since Paris in 2015**.** So far, **China** has been setting an example for developing countries with possible emission peak in 2030**.** Unclear, how the Covid-19 crisis will affect China's plans.