## Building a resilient recovery from the COVID-19 crisis

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COVID-19 has confronted us with a public health crisis at a time when action to adapt to climate change and mitigate the threat of a climate crisis has been increasingly urgent. Choices in the coming months must drive vital new economic activity, accelerate our transition to Net Zero emissions and strengthen our resilience to the impacts of climate change. UK domestic climate action can be the basis for UK international leadership in 2021, as we take on the Presidency of the delayed UN climate summit in Glasgow (COP26), the G7 and the G20.

Reducing greenhouse gas emissions and adapting to climate change must be integral to any recovery package. These remain scientific, economic and social imperatives. Compliance with net-zero legislation, effectively stopping the UK's contribution to global warming by 2050, will only be possible if ambitious steps are taken during this Parliament. However, there are also clear economic, social, and environmental benefits from doing so in both the short and long-term. That will require the near immediate expansion of the following measures:

- investments in low-carbon and climate-resilient infrastructure;
- support for reskilling, retraining and research for a net-zero, climate-resilient economy;
- upgrades to new and existing homes and other buildings to ensure they are fit for the future;
- action to make it easy for people to work remotely and to walk and cycle instead of using cars for short journeys; and
- tree planting, peatland restoration, green spaces and other green infrastructure

More broadly, the Committee on Climate Change (CCC) recommends that the Government prioritises actions according to six principles for a resilient recovery:

- Use climate investments to support the economic recovery and jobs. Our previous
  work has identified a detailed set of investments to reduce emissions and manage the
  social, environmental and economic impacts of climate change. Many are labourintensive, spread geographically across the UK and will have high multiplier effects.
  Government can act to bring these investments forward, often without direct public
  funding or by co-financing to accelerate private investment, as part of a targeted and
  timely stimulus package with lasting, positive impacts.
- 2. Lead a shift towards positive long-term behaviours. There is an opportunity to embed new social norms, especially for travel, that benefit well-being, improve productivity, and reduce emissions. Government can lead the way through its own operations (e.g. encouraging home working and remote medical consultations), through public communications and through infrastructure provision (e.g. prioritising broadband investments over those in the road network, improving safety for cyclists).

- **3.** Tackle the wider 'resilience deficit' on climate change. This crisis has emphasised the importance of timely, evidence-led preparations for the key risks facing the country. Comprehensive plans to reduce emissions and to prepare for climate change are not yet in place. Strong policies from across UK, devolved and local government are needed to reduce our vulnerability to the destructive risks of climate change and to avoid a disorderly transition to Net Zero. Business must also play its part, including through full disclosure of climate risks. Plans must be implemented alongside the medium-term response to COVID-19 and will bring benefits to health, well-being and national security.
- 4. Embed fairness as a core principle. The crisis has exacerbated existing inequalities and created new risks to employment in many sectors and regions, placing even greater priority on the fair distribution of policy costs and benefits. The response to the pandemic has disproportionately affected the same lower-income groups and younger people who face the largest long-term impacts of climate change. The benefits of acting on climate change will be huge but must be shared widely, and the costs must not burden those who are least able to pay or whose livelihoods are most at risk as the economy changes. It is important that the lost or threatened jobs of today are replaced by those created by the new, resilient economy.
- 5. Ensure the recovery does not 'lock-in' greenhouse gas emissions or increased climate risk. It is right that actions are taken to protect jobs and industries in this immediate crisis, but the Government must avoid 'lock-in' to higher emissions or increased vulnerability to climate change impacts over the long term. Support for carbon-intensive sectors should be contingent on them taking real and lasting action on climate change, and new investments should be resilient to climate change.
- 6. Strengthen incentives to reduce emissions when considering fiscal changes. Changes in tax policy can aid the transition to net-zero emissions. Many sectors of the UK economy do not currently bear the full costs of emitting greenhouse gases. Revenue could be raised by setting or raising carbon prices for these sectors, and low global oil prices provide an opportunity to offset changes in relative prices without hurting consumers. The UK's future carbon pricing mechanism should be designed to ensure that an appropriate price for carbon is maintained even in times of external shocks, for example through a well-designed floor price.

The delay of COP26 to November 2021 provides a window of opportunity to address the current policy deficit and establish a credible internationally-leading position in domestic policy:

- The Buildings and Heat Strategy, due later this year, must take low-carbon heating from a niche market in the UK to the dominant form of new heating installation by the early-2030s. It should be supported by a national effort to improve the energy efficiency of UK buildings along with ensuring their safety and comfort as the climate warms.
- The Government's recently expressed ambitions to change patterns of transport demand and decarbonise surface transport require strong policies to deliver them, especially in the context of protection against COVID-19 and the need to rebuild confidence in public transport.

- The goal to substantially expand supplies of low-carbon power must be accompanied by steps in the Energy White Paper to encourage a resilient and flexible energy system.
- Enduring market mechanisms are needed to drive investment in a much wider set of low-carbon industrial technologies and industrial sectors than the piecemeal schemes announced so far.
- The unique opportunity to reform agricultural support and encourage transformational land-use change will be missed unless the Environment and Agriculture Bills are strengthened. They should be backed by a strategic mechanism to fund tree planting and natural carbon storage at a much larger scale while improving the productivity and resilience of our food supply, strengthening flood protection and protecting biodiversity.
- UK leadership also depends on building resilience to climate change, a resilience which no UK sector has yet demonstrated for even a 2°C rise in global temperature. We will publish our updated assessment of the risks and a review of the UK's progress in improving its resilience next June, by which time much better plans must be in place.

Our credibility as an international climate leader rests on taking action at home. The pandemic is a sharp reminder that the world's most challenging crises do not respect borders and require strong collaborative global action. In the coming 18 months, the UK, together with Italy as co-hosts of the COP, can help to steer a positive global response. Our climate programme on both mitigation and adaptation and international leadership is now more important than ever.

## Box text (if required)

## The CCC recommends six principles to build a resilient recovery from Covid-19...

- 1. Use climate investments to support the economic recovery and jobs
- 2. Lead a shift towards positive long-term behaviours
- 3. Tackle the wider 'resilience deficit' on climate change
- 4. Embed fairness as a core principle
- 5. Ensure the recovery does not 'lock-in' greenhouse gas emissions or increased climate risk
- 6. Strengthen incentives to reduce emissions when considering fiscal changes

## ...and five immediate actions that Governments can take today:

- Invest in low-carbon and climate-resilient infrastructure
- Support reskilling, retraining and research for a net-zero, climate-resilient economy
- Upgrade new and homes and other buildings to ensure they are fit for the future
- Make it easy for people to work remotely and to walk and cycle instead of using cars for short journeys
- Plant trees, restore peatland, invest in green spaces and other green infrastructure

Read the Committee's latest progress report to Parliament.