

Delivering a green, clean and resilient recovery from COVID-19: further resources

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The Chancellor's summer economic update: Background briefing

Full Report: <https://commonslibrary.parliament.uk/research-briefings/cbp-8957/>

4.3 Greening

There have been wide ranging calls for the Government to ensure that any stimulus and support measures contribute to and accelerate efforts towards the UK's climate change targets (net zero emissions by 2050), and other environment objectives (a “green recovery”).

The Committee on Climate Change (CCC) – the Government's independent advisors on climate change – wrote to the Prime Minister on 6 May 2020, ahead of its June 2020 Progress Report to Parliament. The CCC concluded there were clear short and long-term economic, social and environment benefits from immediate expansion of the following five measures that could support recovery from covid-19:

- Investments in low-carbon and climate-resilient infrastructure (such as wind turbines)
- Support for reskilling, retraining and research for a net-zero, climate-resilient economy
- Upgrades to homes and buildings, such as energy efficient retrofits and low-carbon heating
- Actions to encourage “climate positive lifestyle changes” such as walking, cycling and working remotely (e.g. broadband investment and safe cycles lanes)
- Nature restoration projects (tree planting, peatland restoration, green spaces) and other green infrastructure The CCC stated that these measures have high job-creation potential, high economic multipliers (they in turn stimulate further boosts to the economy) and benefits for health and the environment as well as the economy.

Similar conclusions were reported by economists from Oxford University (including Prof Nicholas Stern, Prof Joseph Stiglitz, and Dimitri Zenghelis), who found that “green” policy initiatives could both offer the best economic returns for government spending as well as aiding progress on meeting climate targets.

The CCC also advised that any fiscal measures should not “lock in” greenhouse gas emissions – i.e. any financial support for carbon intensive sectors should be contingent on taking “real and lasting action” on climate change and any new investments should be resilient to climate change. The CCC also pointed to greater

use of carbon taxes for industries that do not currently bear the full cost of emitting greenhouse gases, an attractive option given the low global oil prices post-Covid.

The Corporate Leaders Group (a group of corporate leaders committed to supporting delivery of net-zero carbon emissions by 2050) called for financial support packages to include measures to ensure business strategies are well managed and aligned with national climate goals.

Calls in support of a “green” and “sustainable” recovery have been wide ranging and generally follow the themes listed above. Calls have come from Parliament Select Committees, political parties (e.g. Labour and the Liberal Democrats), think tanks, trade unions, environmental campaign groups, the business community, industry bodies, and members of the public (UK Citizens’ Assembly on climate change).

With the UK set to host the next UN climate change conference (COP26) along with Italy in 2021, many have pointed out the opportunity for the UK to provide global leadership in this area. The Government has stated that it would work to “deliver a fairer, greener and more resilient future” in its response to rebuilding the economy in response to the coronavirus pandemic. In a speech as COP26 President, Secretary of State for BEIS Alok Sharma stated that “COP26 can be a moment where the world unites behind a fairer, greener recovery from the effects of Covid-19.