

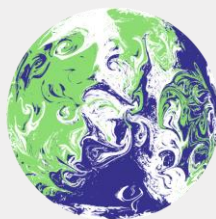


The Green COVID-19 Recovery: progress, failures & a way ahead

COP26 side event | 4th of November 2021

The role of fossil fuel subsidy reform (FFSR) and renewable energy investment for a green recovery:
Building capacities for fossil fuel to renewable energy (FFRE) transition

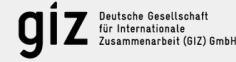
brian.ocallaghan@smithschool.ox.ac.uk
@brian_ocall



**UN CLIMATE
CHANGE
CONFERENCE
UK 2021**

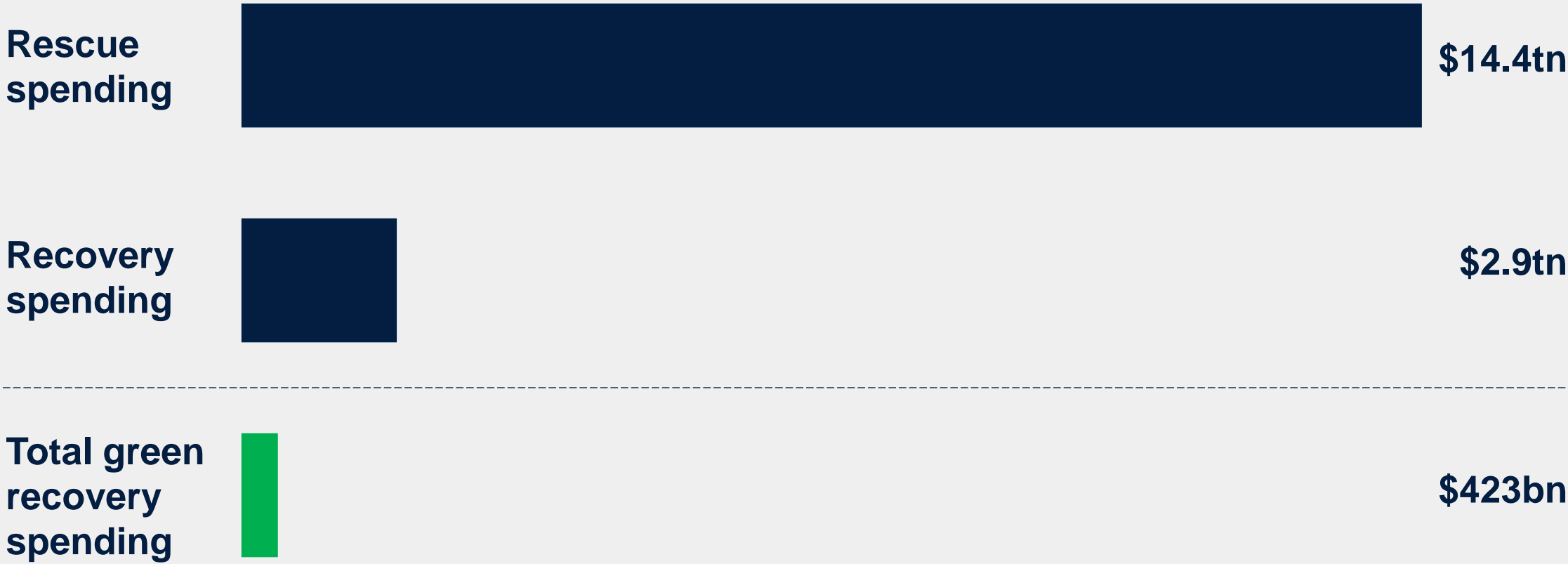
IN PARTNERSHIP WITH ITALY





\$16,700,000,000,000

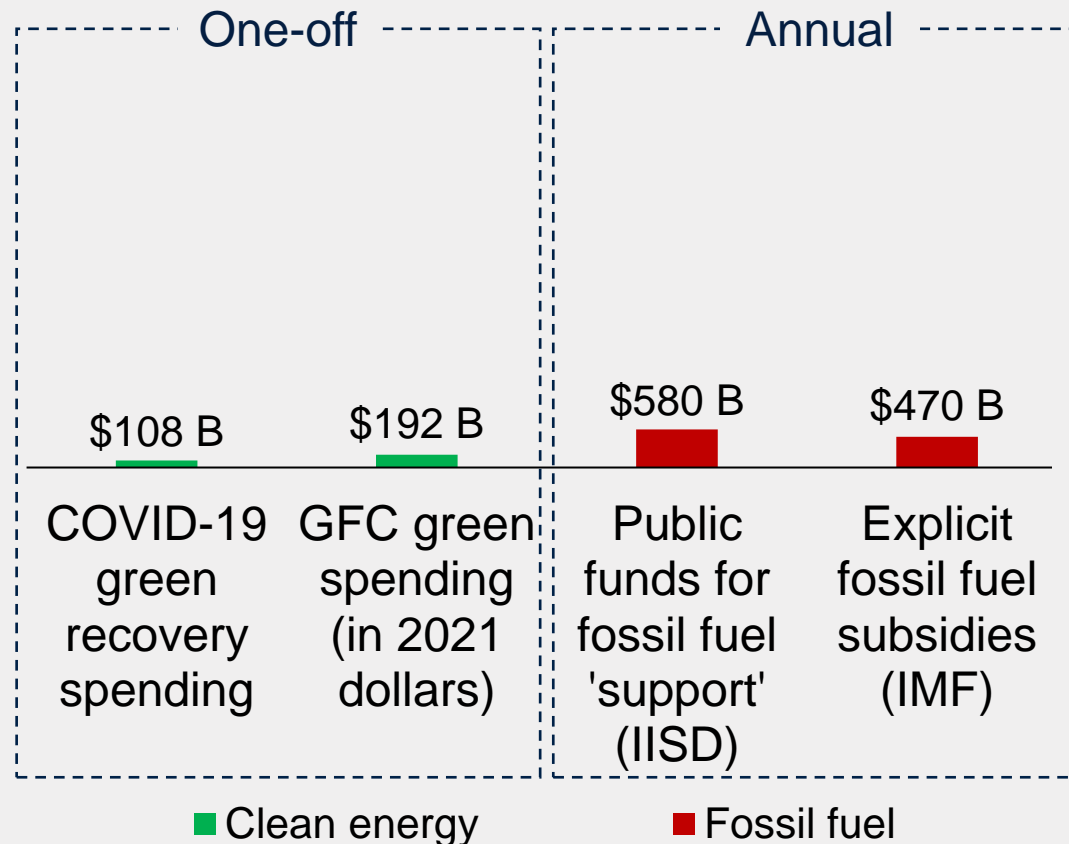
What makes up the \$16.7tn?



Public COVID-19 green energy spending is awfully low



Energy spending in 2020/21 & 2008/09



1 Fossil fuel subsidies are enormous

2 Pledges to “Build Back Better” have mostly been media stunts

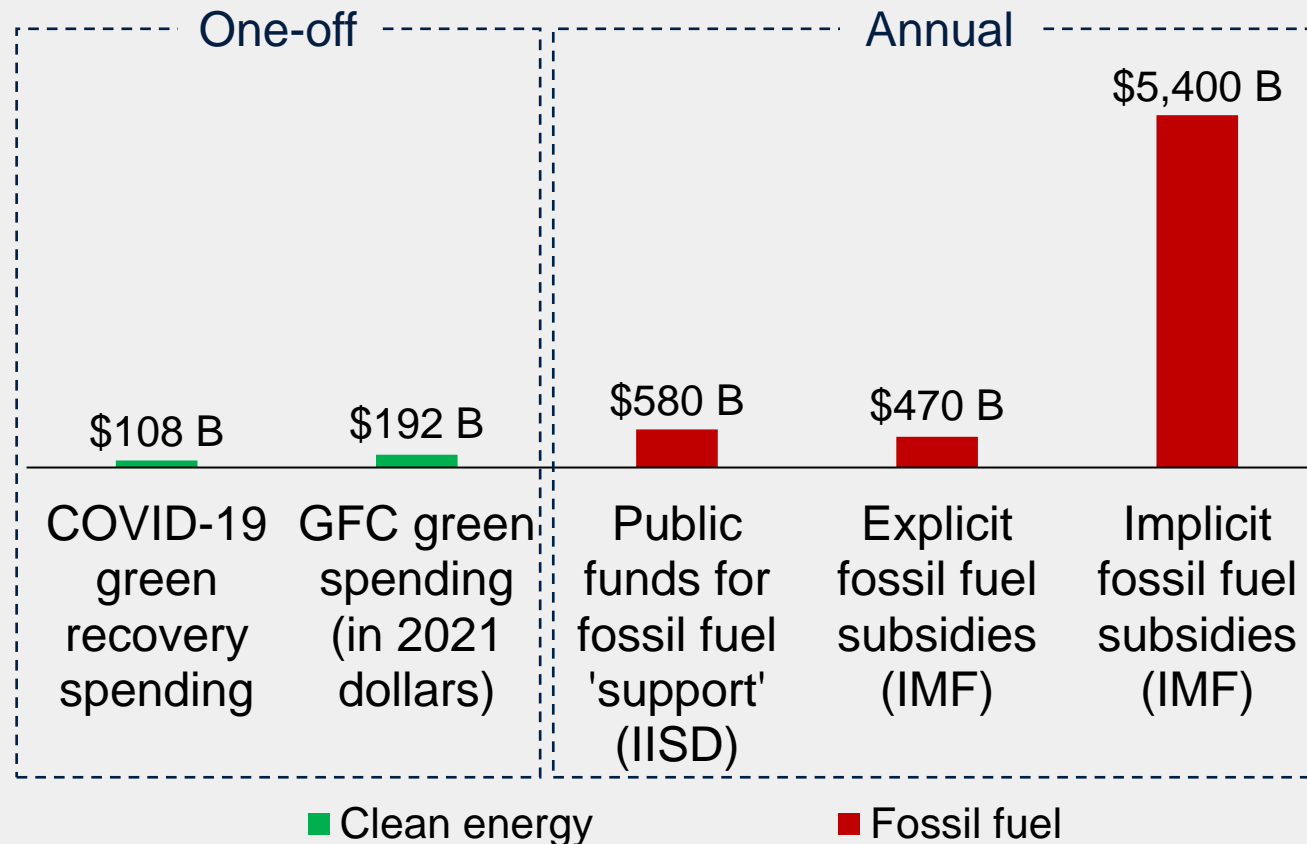
Note: COVID-19 spending & GFC spending are additive. IISD figure is an alternative measure for IMF explicit subsidy figure.

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https://twitter.com/Brian_OCall

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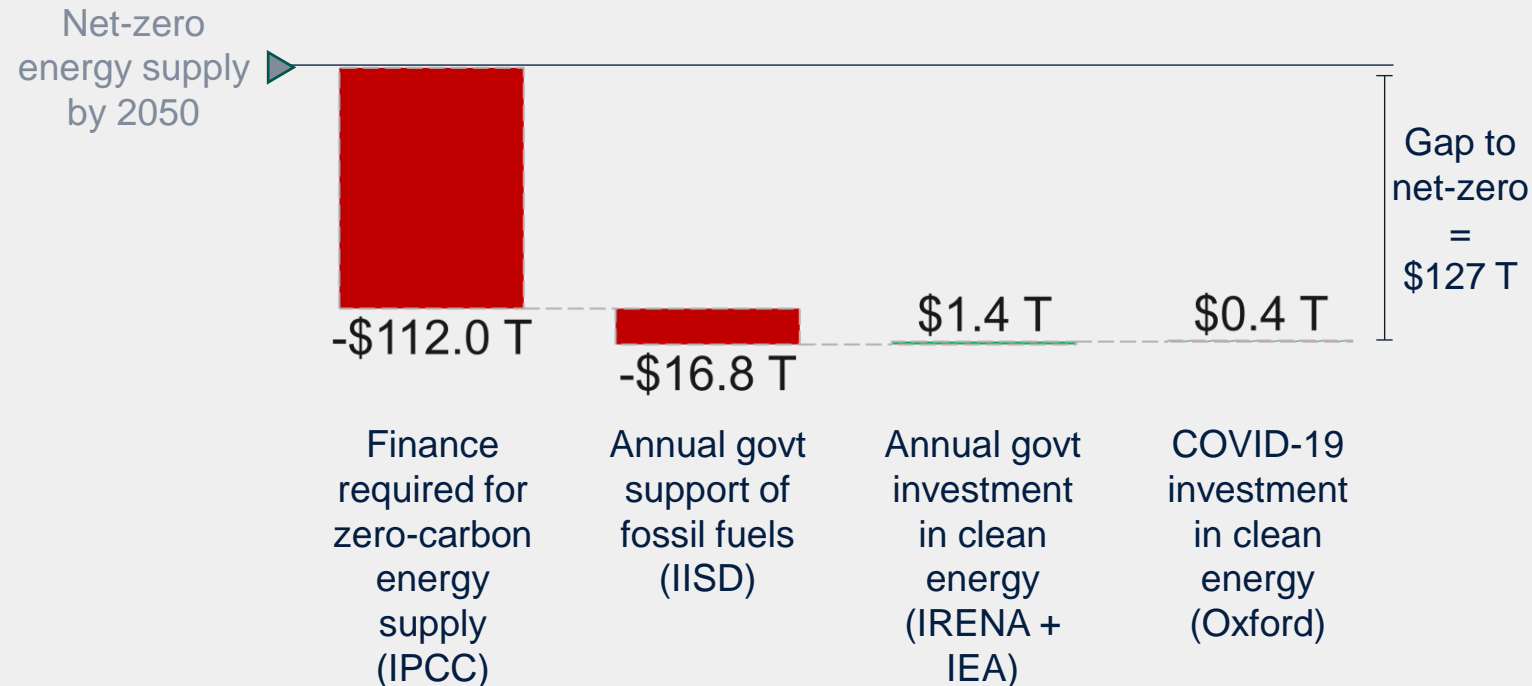
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We must stop incentivising bad behaviour to avoid catastrophe



Government energy finance if we keep doing what we're doing...

(annual figures in 2021 extrapolated to 2050)



Note: the figure intentionally considers **only** government investment. The takeaway of this figure is then that governments are hindering rather than helping push the transition. The private sector then has an even larger role.

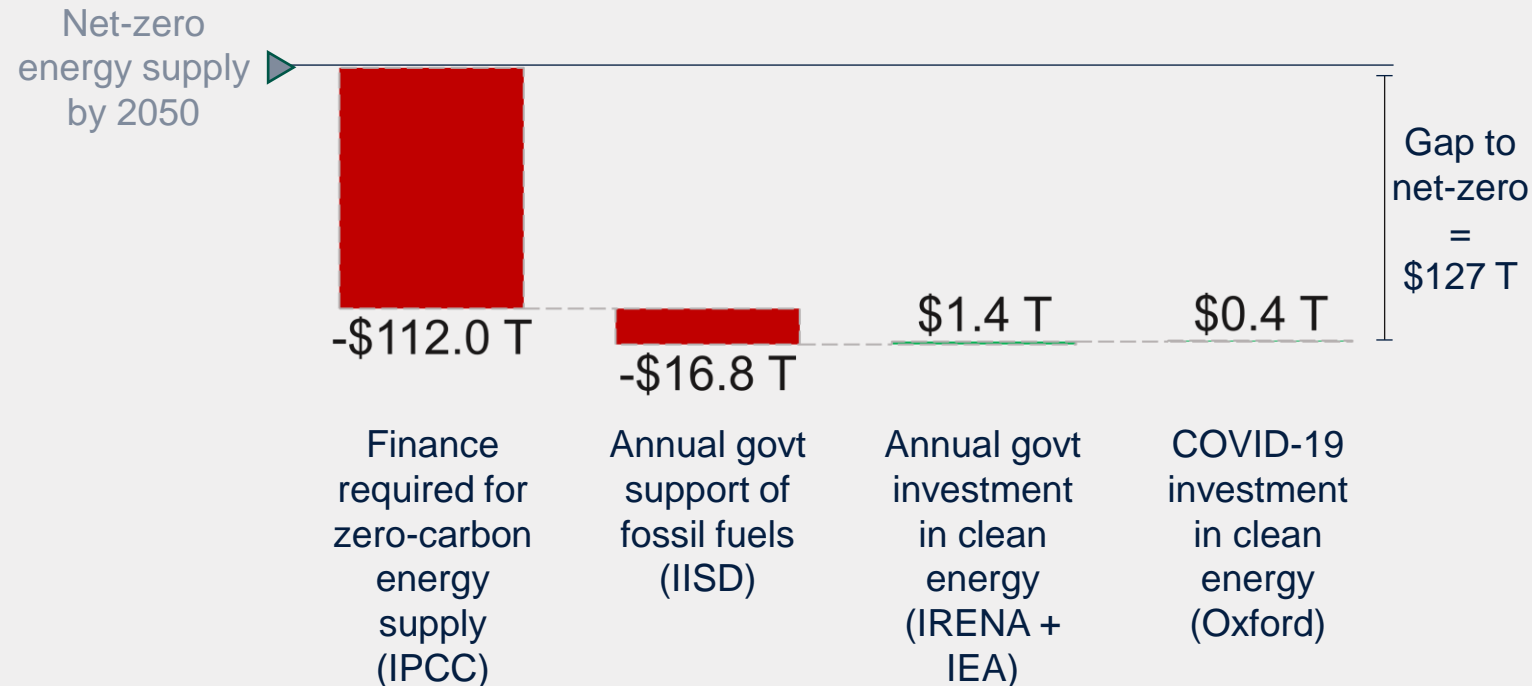
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So what???

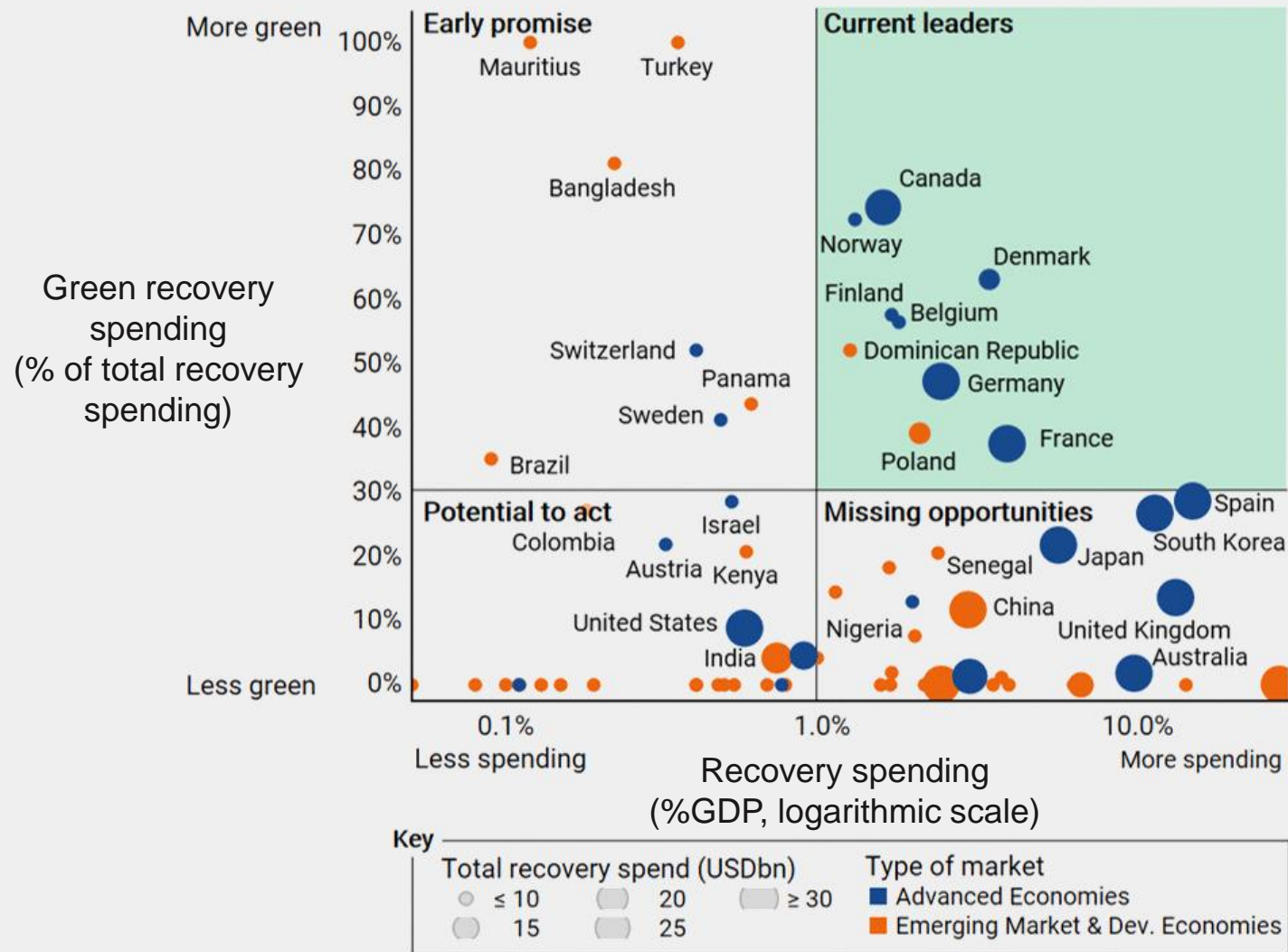
- High exposure to stranded asset risks
- Economy depends on dying industries
- Lost opportunities to gain green competitive advantage
- Climate change...

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Many nations are missing big opportunities for green recovery

<https://recovery.smithschool.ox.ac.uk/>



Leading nations are showing how to invest green + establish new competitive advantage



A sample of the 568 green COVID-19 policies we have recorded



Wind farms in Brazil



Support of National Parks in the Democratic Republic of the Congo



Cycling programs in Finland



Hydrogen R&D in Germany



Electric buses in India



Energy efficiency for appliances in South Korea



Training programs for renewable energy in Dominican Republic



Renewables powering tourism in Cuba

We need to significantly increase support of vulnerable nations



Providing affordable finance

- Debt forgiveness
- Direct grants
- Concessional finance
- Guaranteeing debt
- Redistributing multilateral finance
- Staged exemptions from Carbon Border Adjustment Mechanisms

Addressing information + capacity gaps

- Understanding the environmental implications of fiscal policy decisions
- Knowing the economic strengths of environmental investment
- Long-term partnerships
- Overflow from COVID recovery to 'peacetime'



1. Green Policy Fiscal Framework initiative ongoing with pilot study in Gabon.



See more at
<https://recovery.smithschool.ox.ac.uk/>

Contact
brian.ocallaghan@smithschool.ox.ac.uk

Appendix: Global Recovery Observatory



What is the Observatory?

- Brings transparency to govt spending, pressures more responsible env. action, & gives practical policy examples from around the world
- Tracking fiscal spending in **89 countries**
- **>7,000 policies** recorded & assessed using our original green fiscal policy taxonomy
 - 40 policy archetypes & 150 sub-archetypes (see appendix)
 - Assessed for short- and long-term GHG, air pollution, natural capital, social inequality, rural livelihoods, quality of life, and economic impact



Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



GREEN FISCAL POLICY NETWORK



Global Recovery Observatory

UN environment programme

