

# Unlocking Climate Action in Times of Crises: A reset moment

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# COMPOUND CRISES

COVID-19

CLIMATE CHANGE

BIODIVERSITY LOSS

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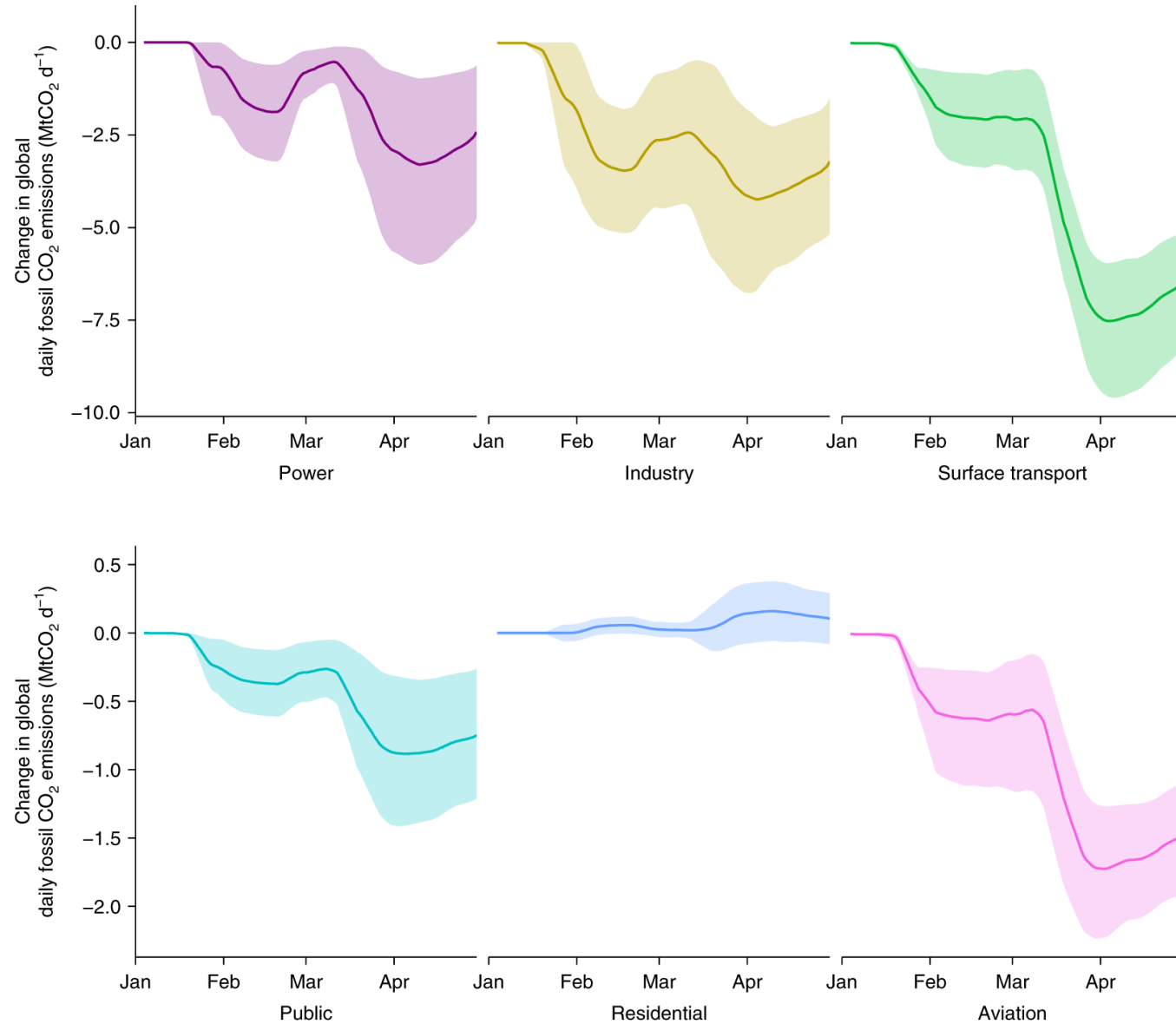


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## **COVID-19, CLIMATE CHANGE, BIODIVERSITY LOSS – COMPOUND CRISES**

- Resilience undermined by deep inequality – cannot self-isolate from these crises
- Some systems lacking resilience – brittle global energy, food and financial systems
- Traditional mechanisms of multilateral cooperation straining to be equal to the task and struggle to get the right parties around the table to discuss the right question
- Depth and breadth of COVID-19 inspired recession will test international solidarity even further
- The risks in plain sight we ignore
- Nature has no seat at the table

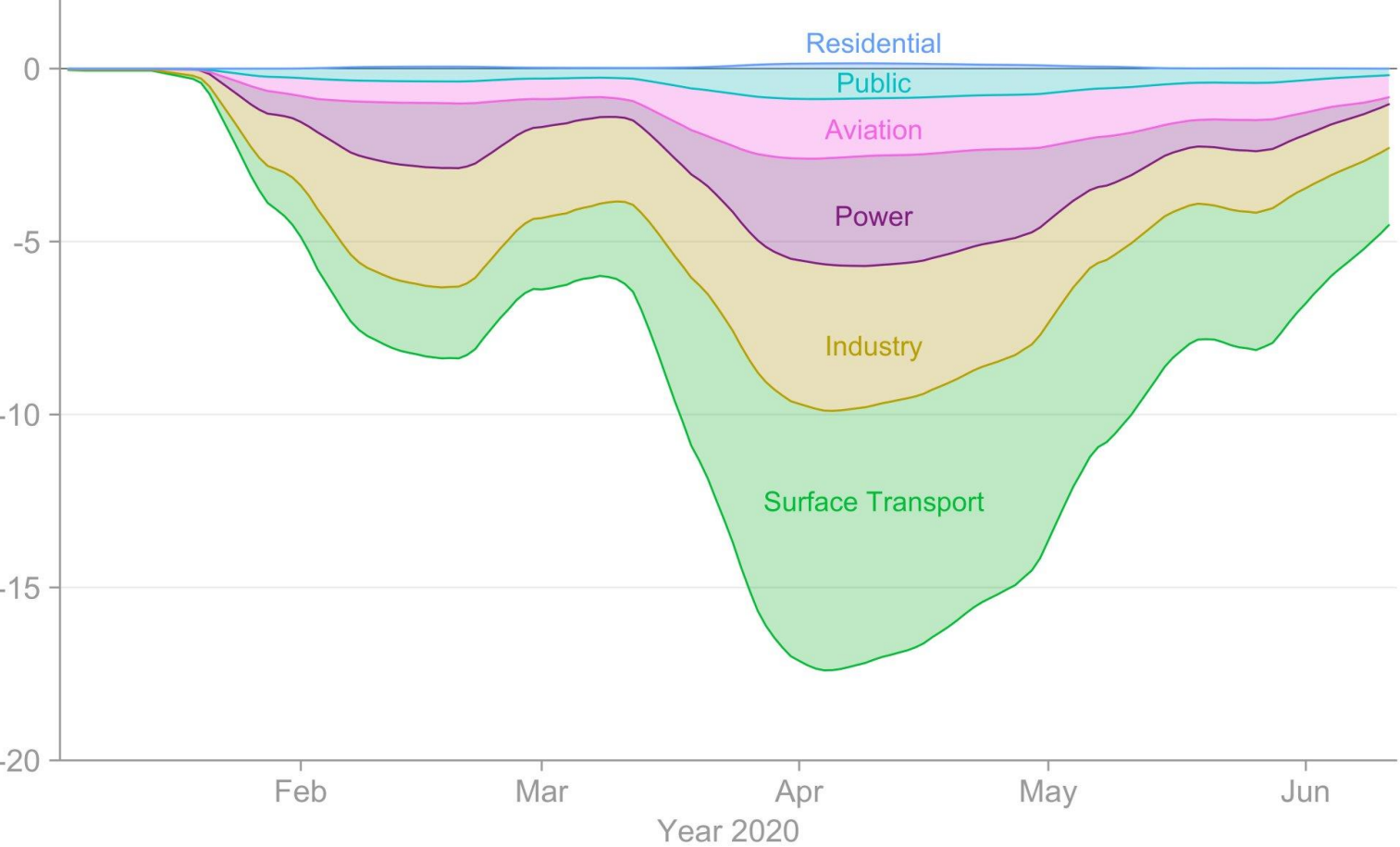
# Change in global daily fossil CO<sub>2</sub> emissions by sector (MtCO<sub>2</sub> d<sup>-1</sup>).



Source:

<https://doi.org/10.1038/s41558-020-0797-x>

Change in global daily fossil CO<sub>2</sub> emissions, %




© Source: Le Quéré et al. Nature Climate Change (2020): Global Carbon Project

Figure © IPCC, 2014

## COVID-19, CLIMATE CHANGE, BIODIVERSITY LOSS – POLITICAL ALIGNMENT and TIPPING POINTS?

- EU integration of COVID recovery into green deal
- China - net zero by 2060
- Japan – net zero by 2050
- Republic of Korea – net zero by 2050
- Program of President Elect Biden
- Financial Market trends
- Private sector pace of commitment





# The Concept of a Gray (Grey) Rhino

- Not a **black swan** (description of the 2008 financial crisis)
  - (Nassim Nicholas Taleb)
  - Not improbable and not unpredictable
  - Black swans can be understood in a rear-view mirror
- **Gray swans** are according to Michele Wucker
  - Large, dangerous, risks, probable events in front of us and in full view
  - Reactions to Gray Rhinos sequence from:  
Denial, Muddling, Diagnosing (blaming), Panic, Action
- Is COVID-19 a gray rhino?
- Is climate change a gray rhino?

## GPMB's Warning

- A rapidly spreading pandemic due to a lethal respiratory pathogen (*whether naturally emergent or accidentally or deliberately released*) poses additional preparedness requirements. **Donors and multilateral institutions must ensure adequate investment in developing innovative vaccines and therapeutics, surge manufacturing capacity, broad-spectrum antivirals and appropriate non-pharmaceutical interventions.** All countries must develop a system for immediately sharing genome sequences of any new pathogen for public health purposes along with the means to share limited medical countermeasures **across countries.**





# Climate Change/ Biodiversity Loss The Ultimate Gray Rhinos

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# Recovery

- **Relief** - Never seen a lockdown of the global economy before. Spillovers to developing countries are enormous. The relief effort focuses on getting to the most vulnerable quickly.
- **Reemerge** – “If you go too fast, you risk dying from the infection. If you go too slow, you risk dying from hunger.”
- **Rebalance** - of health and economic risks

# UNITING HUMAN, ANIMAL AND ENVIRONMENTAL HEALTH

## ONE HEALTH



INVEST IN INTERDISCIPLINARY APPROACHES

INVEST MORE IN SCIENTIFIC DISCOVERY  
AROUND ZOO NOTIC DISEASES

FULL COST ACCOUNTING OF SOCIETAL  
IMPACTS OF ZOO NOTIC DISEASES

RAISE AWARENESS

STRENGTHEN MONITORING AND  
REGULATION

IMPROVE LAND MANAGEMENT TO DETER  
INCURSION AND MANAGE AGRICULTURE AND  
WILD LAND BETTER

IMPROVE BIOSECURITY AND CONTROL

UNEP, ILRI – JULY 2020



# PUTTING NATURE AT THE TABLE

- LEGALLY
  - Ecuador – Pachamama’s right to exist, persist, mature and regenerate
  - Bolivia – humanity has no right over nature
  - New Zealand – Te Urewera river and forest granted legal personality
  - India – River Ganga rights are recognized and cetaceans recognized as non-human persons
- POLITICALLY
  - Scientific panels
  - Indigenous peoples (major groups)
  - Intergenerational equity considerations
  - NGOs
- ECONOMICALLY
  - Internalized externalities
  - Natural capital accounting
  - Internalized externalities

# End state



## **Restoring nature in order for all to thrive within planetary boundaries**

Aggressive reductions in global warming emissions

Land restoration

Aquifer, river protection

Indebtedness

Greater economic equality

RESET

ALL





### **Glimpses of a reset. What will that take to be fit for planetary purpose through recovery**

- Search for the sweet spot of short term growth and jobs, clean development (decarbonization) and inclusion (IMF IEA recovery plan)
- Deal with debt and decarbonization together
- Focus on key sectors: energy, food and health
- Recovery plans we like at the moment – Europe
- Financial innovation – debt
- System change – deeper reset – GDP, different table for financial institutions and economic decision making

# Scaffolding and scholarship (new design)



## **Scaffolding:**

- SDR issue for IMF assuring ability to lend to more than 100 countries
- Additional capital to MDBs
- New green bond issuance

## **Scholarship:**

- MDB capital/TA/ownership realigned
- GDP retired or run in parallel
- New Bretton Woods moment

# New Bretton Woods?

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- Reset at moment of maximum risk
- New threats to come
- Resilience in a system that is weak
- Where would we meet
- Who would need to be there
- Govern ourselves and new technology
- Opportunities for transparency
- Leadership – tools in hands of those who can look at a gray rhino and not blink!



# Cathedral thinking solving debt and climate crisis at same time?



- \$118 trillion sovereign debt (230% global GDP)
- Can swaps help
  - Calls for debt standstill – other debt crises
  - Shield green recovery (UNSC Resolution 1483)
- Repurchase African debt
  - Proposed by UNECA to European central banks
- Sovereign performance bonds
- Principles to adhere to
  - All creditors must be in – London and Paris clubs, banks, private equity, China, India

# Moving beyond GDP

- Kuznets
  - “The welfare of a nation,” he noted in a report to Congress, “can scarcely be inferred from a measure of national income.”
- Different process of wealth accounting – natural capital, human development, happiness index
- Difficult to communicate
  - Leave GDP in place and develop satellite accounts (US bureau of economic analysis)
  - Will that command attention
  - Satellite accounts include – subjective well being, improvements in health care, measuring housework, natural capital accounting
- Need to measure distribution – wealth accounting by income?