5 PRINCIPLES FOR A GREEN RECOVERY

The five principles identified here draw on the Climate Action Tracker's "Government roadmap for addressing the climate and post COVID-19 economic crises", Vivid Economics' GSI, and the Smith School's "Net-Zero Emissions Economic Recovery from COVID-19" paper, among other sources.

1 INVEST IN SUSTAINABLE PHYSICAL INFRASTRUCTURE

Direct investment in the form of loans or grants towards sustainable infrastructure can accelerate energy transitions in key sectors:

- **Power:** renewable energy (including solar, wind, biofuels, and green hydrogen in the energy sector), grid modernisation, digitalisation, and negative emissions technology
- **Transport:** active transport infrastructure, electric vehicle infrastructure and low-carbon public transport
- **Industrial:** uptake of efficient appliances, lighting, and digital devices
- **Building:** energy-efficient renovations and retrofits (such as improved insulation, heating, and domestic energy storage systems) and acceleration of zero-emissions buildings

2 INVEST IN NATURE-BASED SOLUTIONS & THE ENVIRONMENT

Land use investments offer opportunities for resilient job creation, especially for vulnerable, rural populations in areas such as:

- **Landscapes and Forestry:** landscape restoration, protection of existing forests and afforestation on degraded land, and wildfire prevention infrastructure
- **Agriculture:** sustainable agricultural practices, including efficient water irrigation systems

3 INVEST IN EDUCATION, RESEARCH & DEVELOPMENT

Investment in education can support immediate employment and support structural shifts in employment to sustainable industries, while Research and Development (R&D) spending can advance the growth of such industries.

- **Power:** solar, wind, storage, and green hydrogen technologies
- **Transport:** innovation in electric vehicle development and deployment, electric batteries, green hydrogen vehicles, low-carbon fuel alternatives and aviation improvements
- **Industry:** energy efficiency, low- or zero-carbon technologies and alternative materials in chemicals, cement, and steel and, for hard to abate sectors, carbon-negative emissions technology
- **Agriculture:** low water use and drought resistant crops

4 INTRODUCE CONDITIONALITY FOR GREENER BAILOUTS

Bailouts are a public investment, which can protect jobs and deliver other public benefits. Governments can use conditionality in bailouts to bring companies in line with long-term commitments to a sustainable, inclusive, and low-carbon future, by:

- Improving/investing in more **environmentally-friendly operations and procurement** procedures
- Enhancing required **disclosures and reporting**, especially on environmental impacts and climate risks
- Increasing **supply chain transparency**
- Supporting **sustainable job transitions** for workers
- Formulating explicit **climate/emissions commitments** and targets

5 REINFORCE POLICY, REGULATIONS, AND INCENTIVES FOR A SUSTAINABLE FUTURE

Governments can use this moment to support a sustainable transition alongside the COVID-19 response and should try to balance trade-offs to keep the pathway to long-term goals open in:

- **Energy:** tax rebates or subsidies for renewables, including tariff adjustments, fiscal reform on fossil fuel subsidies and introduction of fossil fuel/carbon taxes
- **Transport:** tax reductions, rebates, and financial incentives to support accelerated uptake of low-emission transport modes (including public transport and active transport) and electric vehicles (including heavy-duty vehicles, cars, scooters and bicycles)
- **Industry:** tax rebates for products meeting voluntary performance standards, including home appliances and lighting, levies for supporting renewable energy, and incentives for meeting energy-efficiency standards
- **Environment:** environmental protection regulation should be maintained or strengthened, not removed