CO-BENEFITS OF CLIMATE ACTION & A GREEN RECOVERY

The G20 needs to advance ambitious climate action to effectively adapt to and limit global warming. This will require significant transformation of members' economies and societies, but it is also an opportunity to build a better world. There are many ancillary benefits to and synergies between climate change policies and other important goals – including the SDGs. These additional benefits are known as co-benefits.

When it comes to recovering from the COVID-19 pandemic, building climate action into recovery strategies can amplify the long-term positive outcomes and co-benefits of stimulus spending. From investing in green technology and infrastructure, to supporting (re)education and research, or bolstering environmental policies, G20 members can utilise a green recovery to achieve a more sustainable, inclusive, and resilient future.

These are some of the co-benefits that can be expected or designed into climate policies and recovery responses:

IMPROVE PUBLIC HEALTH & WELL-BEING

Countries that implement mitigation and adaptation measures can also expect improved life expectancy and quality of life, less deaths related to pollution and lifestyle disease (e.g. respiratory illness or heart disease), and lower healthcare costs and other economic costs, such as lost working days.

Decreasing emissions: Decarbonising key sectors, introducing more ambitious environmental and air quality regulations, and providing cleaner energy alternatives to households improves air quality. Globally, financial co-benefits of improved air quality alone are estimated to equal approximately 75% of mitigation costs.

Lifestyle changes: Greater use of public and active transport and dietary changes (less meat) contribute to healthier lifestyles and fewer health problems, while reducing individuals' carbon footprint.

Urban planning and green infrastructure: Public and active transport infrastructure, energy-efficient buildings, expansion of green spaces and resilience planning improve safety and quality of life in cities, including through reducing congestion and noise pollution as well as supporting biodiversity.

JOBS & LOCAL ECONOMIC VALUE CREATION

Governments that create strategies for investment, growth, and innovation in sustainable industries can use climate action to support economic growth and development, provide better and more jobs for citizens, and ease the transition for vulnerable and affected groups.

Investing in sustainable industry and infrastructure: Sustainable industry and infrastructure are growth industries that can support climate mitigation and adaptation, while creating jobs and offering high returns on investment. Increased climate action could trigger USD 26tn in investments and generate 65 million low-carbon jobs worldwide by 2030.

Local economic value creation: Building innovation, localisation, and training elements into sustainable industry strategies (e.g. renewable energy, storage, smart grids, green hydrogen, bio agriculture) can not only support national mitigation efforts, but also improve economic conditions and opportunities at the local level. This is especially important in regions that will have to transition from fossil industries.

BIODIVERSITY & THE ENVIRONMENT

Countries can design environmental adaptation and mitigation interventions to be of benefit to indigenous and rural communities; improve the quality of water systems, food security, and other beneficial natural stocks (e.g. fish, soil nutrients); prevent soil erosion and desertification; enable sustainable tourism; and support biodiversity.

Investment in and protection of the environment: Investing in nature-based solutions, sustainable agriculture, and conservation of critical resources (such as rain forests) is important for adapting to climate change and limiting global warming (carbon sinks). Biodiverse areas also provide important buffers against the effects of climate change and could decrease the occurrence of new vector-borne diseases.

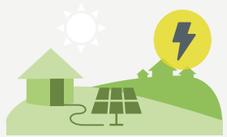
FINANCIAL SECURITY & FISCAL BENEFITS

Governments that align their financial systems with climate goals will also benefit from greater financial stability, improved financial planning, and more financial resources to direct towards social services or invest in sustainable alternatives, innovation, and development.

Preventing stranded assets: Economic shifts and policy changes may turn fossil fuel infrastructure into stranded assets – delaying action increases these risks. Building climate considerations into investment decisions today can support more financially resilient and smart investments in the future.

Subsidies and carbon pricing: Reducing subsidies to fossil fuel industries and introducing carbon pricing can increase critically needed government revenue. Pricing carbon and removing fossil fuel subsidies could generate an estimated USD 2.8tn in government revenues in 2030, more than the GDP of India today.

Adapting and responding to climate hazards: Reducing the physical and financial risks that extreme weather and climate-related hazards pose to infrastructure and human systems is necessary to adapt to climate change. Doing so effectively will also increase financial security and support macroeconomic stability.



ENERGY ACCESS & SECURITY

Transitioning to low- or zero-carbon energy alternatives is in line with and can contribute to increased energy security and access and improve the resilience of energy systems.

Affordable energy access: Decarbonising the power sector is one of the most important mitigation opportunities, with positive follow-on effects for transport, industry and building sectors. Renewable energy has become the cheapest option for new power generation in most countries, offering (in some cases) an opportunity to decrease electricity prices in the future and, in many rural areas, provide electricity access where grid-access is not yet possible.

Energy security: Improving energy efficiency and phasing out fossil fuels will reduce security risks for countries who rely on fossil fuel imports, improving balance of payments and protecting countries from energy price volatility.