



Green Recovery

Yusuke Ichikawa
December 1, 2020

New trend: Green Recovery

Currently, there is a growing movement in various circles toward recovery with the keyword “green recovery” in anticipation of economic activity after COVID-19 pandemic.

What is “Green recovery”?

A Green recovery is a widely adopted name for a package of environmental, regulatory and fiscal reforms to recover prosperity after the COVID-19 pandemic. There has been broad support from political parties, governments, activists and academia across the European Union, the United Kingdom, the United States, and other countries to ensure that investments to lift countries out of economic recession are spent in a way that combats global warming, including the reduction of coal, oil, and gas use, as well as the investment in clean transport, renewable energy, eco-friendly buildings, and sustainable corporate or financial practices. These initiatives are supported by the United Nations and the Organization for Economic Co-operation and Development.



Words you need to know

ESG
Environment/Social/Corporate Governance

Environmental, Social, and Corporate Governance refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies.

SDGs
Sustainable Development Goals

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

Green Bond

A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. These bonds are typically asset-linked and backed by the issuing entity’s balance sheet, so they usually carry the same credit rating as their issuers’ other debt obligations.

The Government Response

EU countries linking climate crisis and environmental measures to the recovery from the covid19 and reflecting them in their policies.

Opinions posted to media by European ministers

➤ European Green Deal must be central to a resilient recovery after Covid-19

“We need to scale up investments, notably in the fields of sustainable mobility, renewable energy, building renovations, research and innovation, the recovery of biodiversity and the circular economy.”

“We must remain resolved to increase the EU’s 2030 target before the end of this year adhering to the timetable of the Paris agreement despite the postponement of Cop26, and inspire other global players to raise their ambition as well.”

17 countries that have expressed their support for Green Deal

Austria, Denmark, Finland, Italy, Latvia, Luxembourg, the Netherlands, Portugal, Spain, Sweden, France, Germany, Greece, Slovakia Ireland, Slovenia, Malta

Simon, Frédéric. (2020) Green Deal will be ‘our motor for the recovery’, von der Leyen says.

<https://www.euractiv.com/section/energy-environment/news/green-deal-will-be-our-motor-for-the-recovery-von-derleyen-says/>

French government sets green conditions for Air France bailout

➤ The French government wants Air France to halve its overall carbon-dioxide emissions per passenger-kilometre by 2030, compared with 2005 levels.

“As soon as there is a rail alternative to domestic flights with a duration of less than 2.5h, these domestic flights will have to be drastically reduced and limited to hub transfers,” says Le Maire.

“France’s green requests are a first but we had non-binding commitments for years and airline pollution ballooned,” says Andrew Murphy, aviation manager at Brussels-based lobby group Transport & Environment.

Conditions set by the French government

- ✓ Reduce CO2 emissions from domestic flights by 50% by 2024
- ✓ Updating to a low emission aircraft
- ✓ The introduction of 2% sustainable alternative fuels by 2025.
- ✓ Reduction of flights between destinations that are travelable by alternative rail

FlightGlobal (2020) French government sets green conditions for Air France bailout.

<https://www.flightglobal.com/strategy/french-government-sets-green-conditions-for-air-france-bailout/138160.article>

Non-Governmental Sector Response

Non-governmental organizations such as companies and NGOs, mainly in Europe, are working towards green recovery.

Open letters to the President of the European Commission from German foundations and others

- Ambitious European Green Deal must also form the basis for the announced EU stimulus packages to deal with the Corona crisis – Foundations appeal to EU Commission President Ursula von der Leyen for ambitious climate protection

“The year 2020 is central to international climate protection in order to counteract global warming that can no longer be contained. The latest findings from the IPCC show that the CO2 budget that is still available to meet the Paris Agreement’s climate goals is smaller than previously thought. It is necessary to act much faster and more powerful” says Klaus Milke, chairman of the Stiftung Zukunftsfähigkeit

Participating Foundations, etc.

DBU, ECF, Dieter-Schwarz-Stiftung, StiftungMercator, Earth3000, Foundations Platform F20, Foundation 2, Robert Bosch Stiftung, BMW Foundation Herbert Quandt, Founding family Karl Schmidt, Schöpflin Stiftung, Forum forActive Philanthropy, Klimastiftung für Bürger, Wyss Foundation

Open Letter to the President of the EU-Commission Ursula von der Leyen

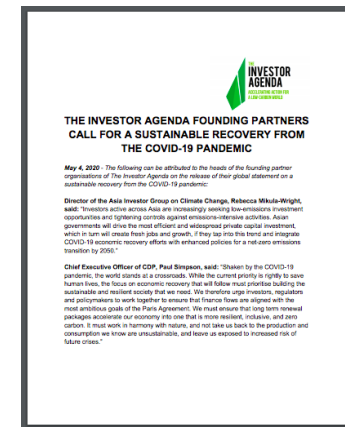
<https://www.foundations-20.org/open-letter-to-the-president-of-the-eu-commission-ursula-von-der-leyen/>

The Investor Agenda Founding Partners Call for a Sustainable Recovery from the COVID-19 Pandemic.

- Seven investor-related groups interested in climate change problem issued a joint declaration.

◆ Proposals for Sustainable Recovery

- 1) Focus on humanitarian aid and job creation
- 2) Adhere to the Paris Agreement
- 3) COVID-19-related government support also takes into account the climate crisis
- 4) Climate Change Resilience and Net Zero Emissions Focusing on solutions to financing
- 5) Incorporate investor participation in the recovery plan review



The Investor Agenda. (2020) The Investor Agenda Founding Partners Call for a Sustainable Recovery from the COVID-19 Pandemic.

<https://theinvestoragenda.org/wp-content/uploads/2020/05/040520-Media-Release-Investor-Agenda-SustainableRecovery.pdf>