

PAYNE INSTITUTE COMMENTARY SERIES: **VIEWPOINT**

Post COVID-19 New World Configuration and Climate Change Actions: Two Urgent Priorities

by Jamal Saghir

1. Introduction

In few weeks or months, the world will have to reconvene to forge a new chapter in humanity, I would call it the **Post COVID-19 New World Configuration**. It will be an historic moment: the ultimate test of global survival, globalization, and cooperation. Yet the building blocks toward this new World are proceeding so slowly that humanity is in grave danger. If we miss the opportunity to protect ourselves and our planet, there will be no second chance; no way to go back and undo the catastrophic health, economic and social damage of COVID-19.

Like COVID-19, another powerful environmental pandemic is slowly building a cloud in front of us: Climate Change. Both are causing a wide range of impacts that is affecting virtually every human in increasingly severe ways. The magnitude of each impact depends on our collective and individual choices. While in 2020 the World Economic Forum ranked climate change as the biggest risk to economy and society¹, no doubt COVID-19 pandemic or any future widespread pandemic will be also be considered among those high risks in the next round of that WEF exercise.

When world leaders gather next time in June at the G7 meeting in the U.S or at the U.N. in New York in September or at the G20 meeting in Saudi Arabia later this year, it is essential that they show solidarity, humility and act . Humanity expect a road map to recover from these crises and to be better prepared for future crisis. Leaders should show the road ahead and define the parameter of the new World configuration.

¹ <https://www.weforum.org/agenda/2020/01/top-global-risks-report-climate-change-cyberattacks-economic-political/>

2. Twin Challenges

We are now at the crossroad, in a situation similar to the dismantling of the Berlin Wall in 1989 which translated in a new era of hope, possibility and freedom, effecting the collective political conscious of the entire globe. Today, the memory of the dismantling of this wall and the lessons learned should be a compass as we fight COVID-19 and climate change.

Failure to tackle at the same time both post COVID-19 world and climate change would be unforgivable. The threat is not only humanitarian and ecological, it is also economic. Apart from the tragic human consequences of the COVID-19 coronavirus epidemic, the economic uncertainty it has sparked will likely cost the global economy \$1 trillion in 2020 according to the UN's trade and development agency.² In addition, the economic damage of unchecked global warming could amount to a 3% loss of real GDP in 2050—an economic cost greater than the losses caused by the two world wars and Great Depression of the 20th century.³

Some argue that amid the current very demanding economic conditions our resolve to meet environmental and climate change commitments should weaken, that the costs are too high. In fact, the opposite is true; stronger actions and implementation of the UN Paris COP 25 agreement are essential for global economic recovery.

3. Toward a Low Carbon Economy

There can be little doubt that the economy in the next few years will move towards a low carbon pathway, although the impacts on that trajectory may have been impacted by COVID-19. What has now become clear is that the push toward decarbonization is one of the major drivers of global and national economic growth over the next decades—we should not lose that momentum.

There are large infrastructure investment needs over the next several years, totaling approximately US\$90 trillion until 2030.⁴ Developed countries have ageing infrastructure that needs to be replaced, and developing countries will continue to invest in rapidly expanding their infrastructure, all in the context of a growing global population and increasing urbanization. The need for low-carbon infrastructure in the developed world and to meet the needs of rapid growth in emerging economies, suggest that a low-carbon pathway has incremental infrastructure investment requirements of US\$4 trillion by 2030.⁵ On the other hand, investing in resilient infrastructure in developing countries could deliver \$4.2 trillion in benefits over the lifetime of new infrastructure. An investment of \$1, on

² https://unctad.org/en/PublicationsLibrary/gds_tdr2019_covid2_en.pdf?user=1653

³ <https://www.marketwatch.com/story/global-gdp-will-suffer-at-least-a-3-hit-by-2050-from-unchecked-climate-change-say-economists-2019-11-20>

⁴ <https://newclimateeconomy.report/2016/>. <https://www.worldbank.org/en/topic/climatefinance>

⁵ <https://newclimateeconomy.report/workingpapers/workingpaper/infrastructure-investment-needs-of-a-low-carbon-scenario-2/>

average, yields \$4 in benefits.⁶ Moreover, a shift to low-carbon, resilient economies could create over 65 million net new jobs globally out to 2030.⁷

In my opinion, the two most important elements of this low-carbon future are: (1) the wave of innovation that will accompany the decarbonization drive; and (2) the speed of adaptation, anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause, or taking advantage of opportunities that may arise.

4. Adapt and Transform

It has been shown that well planned, early adaptation action saves money and lives later. Examples of adaptation measures include: using scarce water resources more efficiently; adapting building codes to future climate conditions and extreme weather events; building flood defenses and raising the levels of dykes; developing drought-tolerant crops; choosing tree species and forestry practices less vulnerable to storms and fires; and setting aside land corridors to help species migrate.

Unless we step up and act to adapt now, the results will be poverty, water shortages and soaring levels of migration, with an enormous toll on human life. Trillion-dollar investment is urgently needed to avert a situation where the rich escape the effects of climate change and the poor do not.

There is an urgent need for a more systematic approach to adaptation to climate change, to increase and accelerate effective action. The recently established Global Centre on Adaptation⁸ is set to become an important part of the international policy architecture, enabling the implementation of the Paris Agreement and the achievement of the UN Sustainable Development Goals.

Just as the revolution in information and communications technologies provided a major motor of growth over the past 40 years, the transformation to low-carbon technologies will do so over the next. It is unsurprising, therefore, that over the past year governments across the world have made green investment a major part of their economic stimulus packages.

5. Toward Global Transformation

Climate change presents a stark injustice: it has been largely caused by the emissions of the richest countries, yet its severest effects are being felt by the poorest. Some of the early data on COVID-19 suggest that it too has had a larger affect on the poor in many societies.

⁶ <https://www.worldbank.org/en/topic/climatefinance>

⁷ <https://newclimateeconomy.report/2018/>

⁸ <https://gca.org/home>

As we move beyond COVID-19 global catastrophe, we should use the tragedy of the lives lost as inspiration to advocate for global transformation. We should find solutions that will bring social, environmental and economic benefits in the present, while protecting the future for our children and grandchildren.

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