POLICY BRIEF

HAVE COUNTRIES IN THE ASIA-PACIFIC REGION INITIATED A "GREEN RECOVERY"? WHAT MORE CAN BE DONE?

On 31st December 2019, the World Health Organisation ("WHO") was informed by the Wuhan Municipal Health Commission of cases of 'viral pneumonia' in Wuhan, People's Republic of China.[i] This virus known as COVID-19, by July 2021 had spread to almost all countries in the world - bar 9 countries - while it has directly affected over 110 million people and has led to the death of over 2.4 million people.[ii]

As cases have been detected, the majority of governments across the Asia and Pacific region have responded – in particular shutting down parts of the economy in order to slow the spread of the virus, increasing health expenditure, including on vaccines during 2021, and providing socio-economic measures to support businesses and citizens.

But how green have all these measures been – and can governments do more?

This policy brief, intended for the Asia-Pacific policymakers as well as development practitioners provides an overview of these effects and responses, analyses whether and how these measures overlap with climate change mitigation and adaptation plans of Asia-Pacific countries and provides suggestions on how to stimulate further poverty reduction and achieve a green recovery from COVID-19.

COVID-19 Action by Asian and Pacific countries

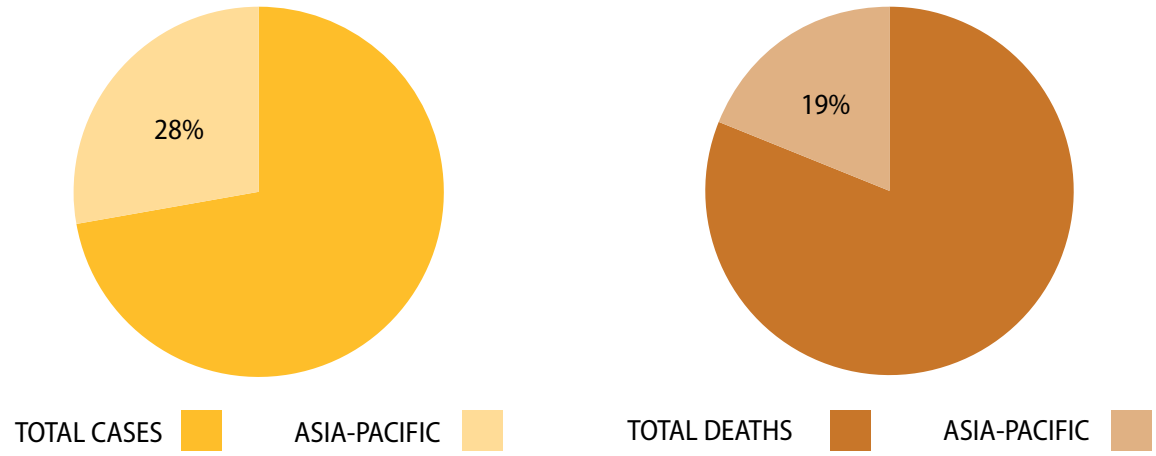
In light of the spreading epidemic, the majority of Asian and Pacific countries acted decisively to avoid overwhelmed health systems and huge numbers of deaths due to COVID-19.

In particular, by the end of 2020, Asian and Pacific countries had introduced a total of 329 policies and measures to support people and workers, and spent an average of 7% of GDP in each country on the overall COVID19 response in 2020.

UNITED NATIONS REGIONAL COLLABORATIVE PLATFORM ASIA AND THE PACIFIC
UNITED NATIONS ESCAP Economic and Social Commission for Asia and the Pacific
UN environment programme 50 1972-2022

However, the question is whether and how these COVID-19 responses and actions align with climate change responses.

Figure 1: Incidence of and Deaths from COVID-19 in Asia-Pacific relative to the rest of the world (as of July 2021)[iii]



Source: BP Statistical Review of World Energy 2020 (2019 data)

What does a "green recovery" mean in practice?

Initially, many Asia-Pacific countries shut down their economies due to the outbreak of COVID-19. The effect of this on carbon emissions reductions was positive.

However, many Asian and Pacific countries were and remain keen to resume "normal" activities as quickly as possible, especially as rates of vaccination improve. This could lead emissions to resume to normal levels. But this resumption to "normal" in terms of emissions may not be necessary. An alternative, carbon-friendly "green recovery" route could be possible.

A key means of exploring this potential is examining whether Asian-Pacific countries aligned their COVID-19 responses with policies outlined in their current Nationally Determined Contributions (NDCs),[iv] and vice versa. Should NDC actions and COVID-19 actions align, then this implies that countries have identified **overlaps of what can be termed "green recovery" policies.**

The key sectors that are typically included in NDCs are:

- **Energy**
- **Transport**
- **Tourism and air travel**
- **Land-use -including forestry and agriculture**
- **Water and waste**
- **Disaster Risk Management**

Each of these sectors are examine in turn, first for the rationale for an aligned COVID19 and NDC response, and then evidence to date on the "sweet-spot" alignment for green recovery in the Asia-Pacific region.

What is the rationale for linking COVID-19 responses and climate actions in different sectors?

Linkage Opportunities in the Energy sector

There are several reasons to link COVID-19 and energy responses. **First**, fossil-fuel reform is a key practical policy area for overlap between COVID-19 policy and climate change action. Subsidies can take up a great deal of budgetary space. That said, due to a combination of production target disagreements as well as the pandemic itself which drastically cut energy demand, oil and other energy prices were at historic lows in 2020. This means savings from fossil fuel subsidies are lower than they would be. But as COVID-19 recovery occurs the projected savings will rise. **Second**, renewable energy for power generation has gradually become cheaper than fossil-fuel alternatives. This means governments can make budgetary savings by investing in renewables instead of fossil fuels and devote those saving to other COVID-19 affected areas. **Third**, renewable energy can be deployed to help improve health systems in rural areas and for low-income communities in particular, where grid extension is largely impossible. **Fourth**, renewable energy and energy effiiency can improve resilience. High dependency on unstable imported energy – whether coal or gas - can be a serious national energy security weakness. **Finally**, energy efficiency can help cut costs for industry, businesses and citizens, raising their ability to deal with, for instance, job losses due to COVID-19 restrictions, or the costs of working from home. There are thus several benefits from aligning the energy and COVID-19 responses.

China is an example of a country in the region that has decided to accelerate its efforts on renewable energy and cutting fossil fuel use – partly as a means for national security (incl. less reliance on imported coal and gas).[v]

Linkage Opportunities in the Surface Transport sector

There are significant benefits of linking green surface transport with COVID-19 responses. Due to its transmitability, COVID-19 has required mobility restrictions which led to cutting demand for cars, trams, buses, subways and more. Some people have veered to using greener forms of personal transport, such as bikes, and hybid/electric bikes and cars, to avoid COVID-19. In addition, as far as the movement of goods has been concerned, some countries have encouraged the use of rail rather than trucks to reduce COVID-19 risks. But can this reduction in mobility and epidemic-control-related shifts be leveraged as a means to encourage a shift to "greener" forms of transport? Indeed, if not leveraged - there can be the opposite effect. For instance, in some countries and cities, concerns about COVID-19 has stimulated a rise in use of (petrol) cars for personal transport. A recent paper found a link between COVID-19 morbidity and greater use of public transport versus telecommuting.[vi] COVID-19 policies that therefore directly seek to support working from home, or the use of green forms of personal transport can be seen as NDC-aligned.

Philippines is an example of a country in the region that is working to green its urban transporation sector as a result of COVID-19.[vii]

Linkage Opportunities in the Air Travel and Tourism sectors

According to UNDESA and ICAO estimates, the aviation industry in the Asia and Pacific has been hurt the most in 2020 during this global pandemic, as has the sector that relies most heavily on aviation - tourism.[viii] This significant hit has created several reasons to link the COVID-19 response with "green" travel and eco-tourism. First, forecast reduced demand and profitability itself mean airlines and the tourism sector need to shift away from business-as-usual models as well as take steps to increase efficiency – e.g. of fuel use, of hotels, etc – to cut costs. This has already been seen in the aviation sector with a shift towards cargo rather than passengers over 2020. Second, there are carbon-friendly alternative models that can be invested in. For example, biofuels for aviation, and eco-tourism models for the tourism sector. While these may not be cheaper at the moment than business-as-usual alternatives, depending on how demand shifts, they may become comparably cheaper, especially when taking into account the longer-term issue of avoiding

'stranded assets" of high-carbon methods. Third, domestic aviation and tourism can improve resilience. High dependency on unstable global markets can be a weakness.

Palau is an example of a country that has tried to use the COVID-19 opportunity to promote eco-tourism domestically and internationally. Prior to COVID-19, 5 times more tourists visited the country than the entire population.[ix]

Linkage Opportunities in the Land Use sector – including forestry and agriculture

Aligning COVID-19 responses with climate friendly land-use policies will also benefit countries. The emissions from land-use - including the forestry and agriculture sectors - account for the majority of emissions for 9 Asian and Pacific countries while the sectors are expected to be hard hit by climate change impacts. In addition, in many countries, the land-use sector has been affected by COVID-19 - for example some movement restrictions between cities and rural areas have affected the ability of farmers to produce as much as before, as well as to get to market and meet demand for their products themselves. Moreover, with more people eating at home, consumption patterns have changed - meaning the price of basic commodities such as palm oil which makes up considerable emissions in the sector in the region has seen significant falls. This can result in potential falls in farmer incomes and even in the loss of jobs. Therefore, policies to tackle emissions from this sector as well as introduce means to adapt to and build resilience to climate change in the sector will bring significant benefits to countries. Moreover, COVID-19 measures to support farmers and stimulate resilient agriculture (i.e. additional cash-transfers, subsidized access to loans, tax exemptions to SMEs, etc.) bring substantial positive effects to countries.

Kazakhstan is an example of a country in the region that has targeted its COVID-19 support to farmers with discounted loans and subsidies – as they represent close to 16% of the employed population.[x]

Linkage Opportunities in the Water and Waste sectors

An accessible and well functioning water and waste sector in Asian and Pacific countries is essential to dealing with both climate change and COVID-19 management. In 2015, only 65 percent of the region's population had access to basic sanitation whereas, 90 per cent of wastewater in the region was discharged untreated.[xi] This exacerbates costs for governments as well as environmental damage. Moreover, when it comes to waste, COVID-19 has created additional challenges. Medical waste has increased rapidly, while lockdowns have meant that in many countries, tens of thousands of people involved in activities related to waste picking and recycling of goods have lost their jobs. Therefore, both the water and waste sectors need special attention in light of COVID-19.

There are several opportunities from countries aligning their COVID-19 response with water and waste responses. In particular, shifting towards smart water grids, increasing the levels of recycling and building infrastructure to provide access to water and sanitation can improve the efficiency of the sector and can help with adaptation. Additionally, since over 50% of municipal solid waste in low- and middle-income countries is organic, it can be turned into compost for use in agriculture or into biogas for energy, which can also support resilience.

One example of a country that has tried to bring together the COVID-19 response with water policy is **Afghanistan** – by accelerating green irrigation infrastructure projects.[xii]

Linkage Opportunities in the Disaster Risk Management (DRM) sector

There are several reasons for countries to include the DRM policies highlighted in their NDCs with their COVID-19 response.

First, like climate change disasters and impacts such as floods and droughts, COVID-19 is like a "grey rhino" – as in, an obvious and known danger that is anticipated but are in reality mostly neglected. The work governments have done to respond to COVID-19 provides a template to build on, and strengthen DRM systems to avoid more "grey rhinos" – for example by improving data systems, digital network infrastructure, etc. Second, with COVID-19, a vast majority of Asian and Pacific countries in particular made a quick determination that the costs of acting NOW to stop COVID-19 would be lower than the costs of allowing it to ravage through their economies. Climate change action has the same rationale, and as such governments can take this opportunity to both make that case and take it more seriously. Understanding the costs of action and inaction is a key part of stronger DRM going forwards, and thus adjusting DRM plans or strategies can be a key overlap for this sector.

Countries willing to take action in this sector can take as an example **Myanmar** which is developing more resilient community structures in response to either pandemics or climate change crises.[xiii]

Analysis - Which Asia and Pacific countries are implementing a "green recovery"?

While the previous analysis suggests there are significant opportunities in every NDC sector for linkages between NDC policies and COVID-19 responses, and that there are examples of countries in the region in every sector taking advantage of these linkages, there is no doubt that overall, in the region many COVID19 actions are not at all aligned with climate change action or NDCs specifically.

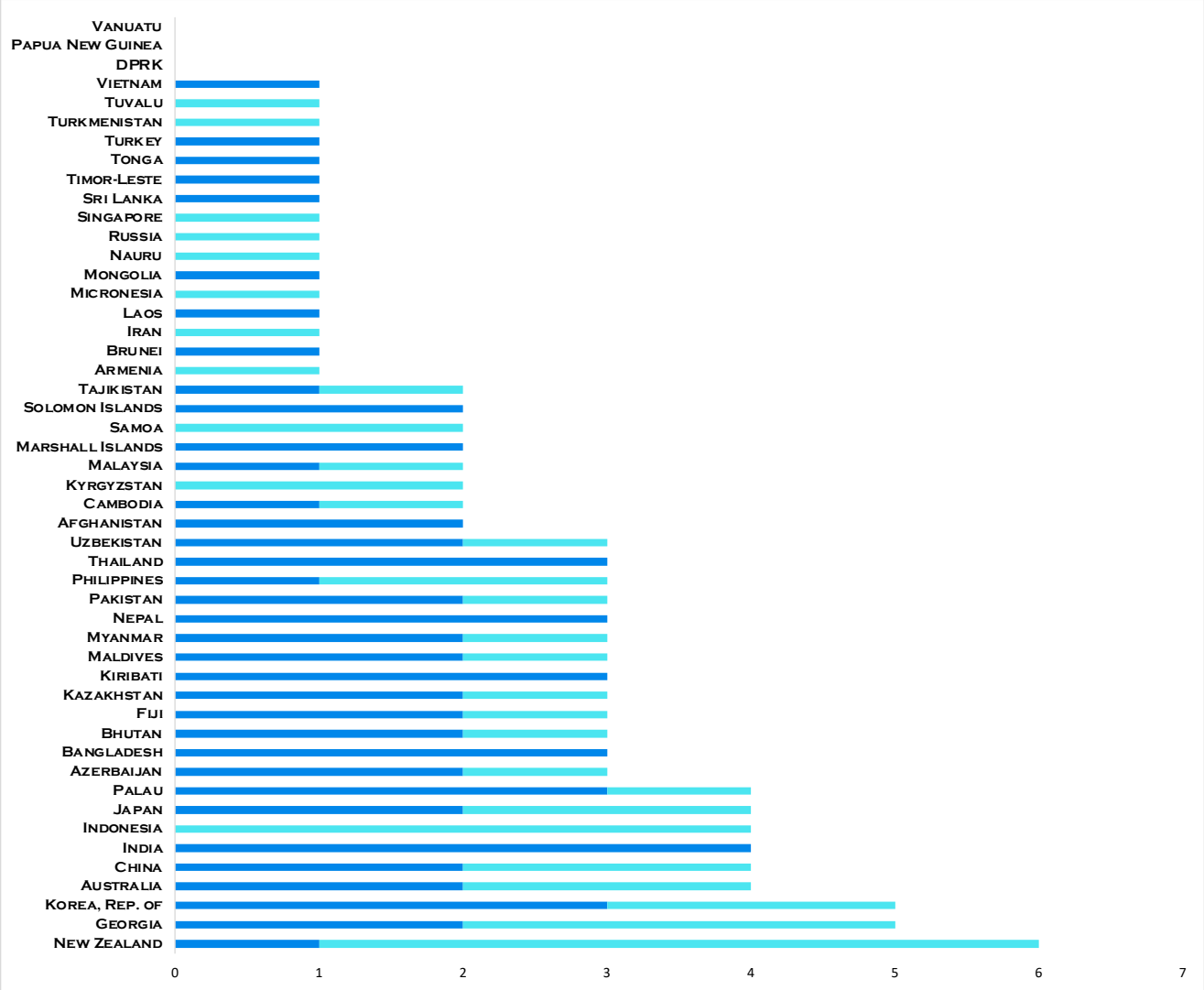
During 2020, this analysis suggests that 3 Asia and Pacific countries did not introduce any "green recovery" policies, and 16 introduced only one such policy.

Furthermore, of "green recovery" policies introduced across the region during 2020 – a total of 111 new policies – only 59% of these were previously included in countries' NDCs. The rest were entirely newly conceived, suggesting NDCs in the region could have been more ambitious previously.[xiv]

Furthermore, during 2020, 15 countries in the region did not introduce any "green recovery" policies for the energy sector, despite this sector accounting for the majority of carbon emissions for most countries in the region. Additionally, 53% of Asia-Pacific countries did not implement any green recovery policies for their transport or tourism sectors in 2020. Only one country, New Zealand, introduced "green recovery" policies in 2020 in the six sectors analysed, but even there, 5 out of 6 of the policies were entirely new – i.e. not mentioned in New Zealand's NDC at the time.

Figure 2 below shows countries that led the way towards "green recovery" policies during 2020.

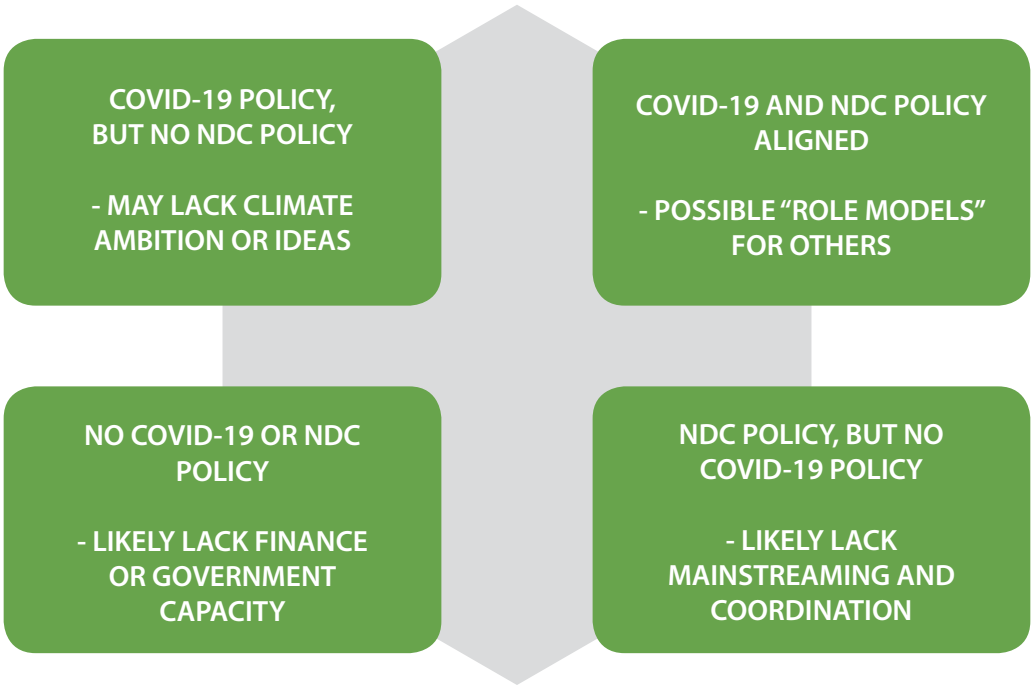
Figure 2: Distribution of 111 "green recovery" measures implemented by Asian and Pacific countries



Finally, the analysis reveals that there were an additional 93 policies in existing NDCs that could reasonably be part of COVID-19 response policies that had not been introduced by Asia Pacific countries in 2020, suggesting a considerable mismatch or lack of coordination between parts of government in the region working on climate change issues and those working on COVID-19 delivery.

Depending on whether Asian-Pacific countries align green, pro-poor and COVID-19 recovery policies, they can be split into four categories shown in **Figure 3**.

Figure 3: Categories of Asia and Pacific countries' "green recovery" responses



Conclusions & Suggestions for the Way Forward

This analysis shows there remains a significant need to explore opportunities for "greening" the post-COVID19 recovery in the Asia Pacific region, both as countries continue to battle against the pandemic, as well as they try to achieve herd immunity through vaccination. Several suggestions for Asia-Pacific policymakers and governments therefore arise.

Suggestion 1

Use scenario analysis to guide planning – second and third waves of COVID-19 have already hit some countries and although vaccines have begun to be deployed they certainly will take time to be distributed, and variants may occur in future. Therefore, continued social distancing measures will likely be required. These provide opportunities to use "green recovery" policies;

Suggestion 2

Continue to expand COVID-19 fiscal responses, in particular to badly hit sectors and to support the most vulnerable people in the country;

Suggestion 3

Review existing NDCs for "green recovery" actions that can contribute to the COVID-19 response, and update NDCs as soon as possible in 2021 based on revised, higher ambition;

Suggestion 4

If not already in NDCs, implement more "green recovery: policies now – including:

a. Removal of fossil fuel subsidies;
b. Investment in domestic energy security through renewable energy;
c. Building of green, pro-poor infrastructure (both as a measure to temporarily create jobs but also invest in greening sectors (e.g. bike transport) and building resilience – e.g. free water access);
d. Link payments to poor communities to green jobs (e.g. find ways to make payments for forestry management, crop improvements, ecosystem management, etc);

e. Create incentives for efficiency actions/productivity improvements by industries and the aviation industry;
f. Promote domestic and/or eco-tourism;
g. Investment in value addition of manufacturing (to diversify economies & increase resilience).

Suggestion 5

Identify in which of the "four groups" (**Figure 3**) your country falls into and seek the related need for support from bilateral or international partners.

The COVID-19 crisis continues to require swift and innovative responses. Evidence to date suggests Asia-Pacific countries need to and can do more to use this one-time opportunity to build forward onto a greener pathway.

References

i. WHO, (2020). Pneumonia Of Unknown Cause – China. [online] World Health Organization. Available at: https://www.who.int/csr/don/05-january-2020-pneumonia-of-unkown-cause-china/en/

ii. Worldometer, (2021). Coronavirus Update (Live): 110,928,584 Cases and 2,454,505 Deaths from COVID-19 Virus Pandemic - Worldometer. Retrieved from https://www.worldometers.info/coronavirus/

iii. Source: Our World In Data, (2021). Coronavirus Pandemic (COVID-19). Our World in Data.

iv. Analysis was conducted using NDCs submitted to the UNFCCC up to and during November 2020.

v. Geall, S. (2020). Oxford Energy Forum - China's Energy Policies in the Wake of COVID-19 - Issue 125 - Oxford Institute for Energy Studies. Retrieved from: https://www.oxfordenergy.org/publications/oxford-energy-forum-chinas-energy-policies-in-the-wake-of-covid-19-issue-125/

vi. Knittel, R & Bora, O. (2020) What does and does not correlate with COVID-19 death rates. MexRiv Preprint. Retrieved from: https://www.medrxiv.org/content/10.1101/2020.06.09.20126805v1

vii. UNESCAP. (2021). Are countries in the Asia-Pacific region initiating a "Green Recovery"? What more can be done?. ESCAP. Retrieved from https://www.unescap.org/resources/environment-and-development-policy-brief-20201-are-countries-asia-pacific-region.

viii. ICAO. (2021). Economic Impacts of COVID-19 on Civil Aviation. Retrieved from https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx

ix. Palau Government, (2020). Project to Make Palau a Carbon Neutral Destination Launched by Palau Bureau of Tourism, Sustainable Travel International, and Slow Food.

x. UNESCAP, (2020). Kazakhstan: COVID Country Responses. Retrieved from: https://www.unescap.org/sites/default/files/Kazakhstan_COVID%20Country%20Responses_updated.pdf

xi. SDGs HelpDesk, (2020). Water Markets In Asia And The Pacific: An Overview Of Trends, Opportunities, Risks And Policies | SDG Help Desk. [online] Retrieved from: https://sdghelpdesk.unescap.org/e-library/water-markets-asia-and-pacific-overview-trends-opportunities-risks-and-policies

xii. UNESCAP. (2021). Are countries in the Asia-Pacific region initiating a "Green Recovery"? What more can be done?. ESCAP. Retrieved from https://www.unescap.org/resources/environment-and-development-policy-brief-20201-are-countries-asia-pacific-region.

xiii. Ibid.

xiv. Preliminary analysis on NDC ambition in the region is available here: https://www.unescap.org/resources/progress-ndc-implementation-asia-pacific-framework-and-preliminary-findings.