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THANK YOU FOR THE OPPORTUNITY TO TESTIFY THIS MORNING ON THE CRITICAL ISSUE OF HOW WE CAN BUILD BACK BETTER FROM THE GLOBAL ECONOMIC CRISIS BROUGHT ABOUT BY THE COVID19 PANDEMIC

FOR CONTEXT. MORE THAN 90 COUNTRIES ARE SEEKING SUPPORT FROM THE INTERNATIONAL MONETARY FUND. MORE THAN 180 COUNTRIES HAVE STALLED OR SHRINKING GROWTH ACCORDING TO THE WORLD BANK , WHICH WARNS THAT COVID-19 IS PUSHING COUNTRIES FROM RECESSION TO DEPRESSION. AND, AT THE UN GENERAL ASSEMBLY THIS MONTH, REPORTS ON PROGRESS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS HIGHLIGHT THAT 100MN PEOPLE ARE AT RISK OF FALLING BACK INTO POVERTY AND THAT BY SOME MEASURES OF WELLBEING, THE PAST 25 WEEKS HAVE WIPED OUT 25 YEARS OF PROGRESS. THE PANDEMIC HAS PRESENTED US WITH AN EXTRAORDINARY CHALLENGE, BUT ALSO AN EXTRAORDINARY OPPORTUNITY.

THE NATURE OF THE DISLOCATION OF HEALTH, ENERGY, AND FOOD SYSTEMS AND THE DEPTH AND BREADTH OF THE ECONOMIC IMPACTS PRESENT US WITH A MOMENT OF POTENTIAL RESET.

THE IMF CURRENTLY PROJECTS, AND WE CAN ASSUME THAT UPDATES IN THE COMING WEEKS WILL UNDERLINE THE EXTENT OF THE CHALLENGE, THAT GLOBAL GROWTH WILL RETREAT BY -4.9% IN 2020.

HOW THEN TO ORGANIZE IMMEDIATE RELIEF AND PLAN FOR RECOVERY? AND CAN THAT RECOVERY BE ONE THAT PUTS INDIVIDUAL ECONOMIES AND THE GLOBAL ECONOMY ON A BETTER PATH – MORE INCLUSIVE AND CLEANER.

A GROUP OF MORE THAN 200 ECONOMISTS THINK SO AND CONCLUDED THAT GREEN STIMULUS MEASURES COULD HAVE THE MOST SIGNIFICANT IMPACT ON THE ECONOMY AND CUT EMISSIONS. THEY HIGHLIGHTED INVESTING IN BUILDING EFFICIENCY RETROFITS, EDUCATION, AND TRAINING TO ADDRESS IMMEDIATE UNEMPLOYMENT FROM COVID-19, CLEAN ENERGY PHYSICAL INFRASTRUCTURE (SUCH AS STORAGE AND RENEWABLE ENERGY ASSETS), CLEAN ENERGY R&D, AND NATURAL CAPITAL FOR ECOSYSTEM RESILIENCE AND REGENERATION.

THE OECD ESTIMATES THAT MORE THAN 30 MEMBER COUNTRIES AND KEY PARTNERS HAVE ANNOUNCED GREEN STIMULUS ELEMENTS, MAINLY IN ENERGY AND TRANSPORT PROGRAMS.

LESSONS LEARNED FROM THE FINANCIAL CRISIS OF 2008 SHOWED THAT WELL DESIGNED GREEN STIMULUS COULD ACHIEVE THESE OBJECTIVES – PROVIDING INCOME AND JOBS WHILE IMPROVING WELLBEING AND RESILIENCE.

THE INTERNATIONAL ENERGY AGENCY (IEA) AND THE INTERNATIONAL MONETARY FUND (IMF) PUBLISHED A PLAN FOR A SUSTAINABLE RECOVERY FOCUSED ON THE ENERGY SECTOR. THEIR PLAN INDICATED THAT TARGETED POLICIES AND INVESTMENTS BOOST GLOBAL ECONOMIC GROWTH BY AN AVERAGE OF 1.1% A YEAR THEY ALSO CONCLUDED THAT THE PLAN WOULD ALSO SAVE OR CREATE AROUND 9 MILLION JOBS A YEAR AND REDUCE ENERGY-RELATED EMISSIONS BY 4.5 BILLION TONNES GLOBALLY.

THE TWO ORGANIZATIONS WERE EXPLICIT THAT THERE IS A SWEET SPOT WHERE SHORT TERM JOB CREATION, GROWTH IN THE SHORT AND MEDIUM-TERM, AND MEDIUM AND LONG-TERM EMISSIONS REDUCTION CAN BE ACHIEVED SIMULTANEOUSLY. THE SWEET SPOT IS REFURBISHING BUILDINGS TO IMPROVE ENERGY EFFICIENCY. NEXT, EMPLOYMENT IN THE ELECTRICITY SECTOR, PARTICULARLY IN GRID UPGRADE AND RENEWABLE ENERGY, WOULD BE AN ESSENTIAL FOCUS OF RECOVERY EFFORTS. ENERGY-EFFICIENT PARTS OF THE MANUFACTURING, FOOD, AND TEXTILE INDUSTRIES WOULD ALSO BENEFIT FROM INCREASED EMPLOYMENT, ALONG WITH LOW-CARBON TRANSPORT INFRASTRUCTURE AND VEHICLES.

SOME COUNTRIES GREEN RECOVERY CAN BE SEEN IN THEIR REVISED AND UPDATED NATIONALLY DETERMINED CONTRIBUTIONS TO THE PARIS AGREEMENT ON CLIMATE CHANGE, DUE BY THE END OF THIS YEAR, AS IS THE CASE IN CHILE, FOR EXAMPLE. KOREA ANNOUNCED A GREEN DEAL IN JULY, VOWING TO CREATE 659,000 NEW JOBS, AND FOR EXAMPLE, INVESTING \$61BN IN RENEWABLE ENERGY OVER FIVE YEARS. THERE ARE SIGNIFICANT COMMITMENTS TO RENEWABLE ENERGY IN SPAIN, AND THE UK INCLUDED LAND-BASED RESTORATION COMMITMENTS AND ENERGY EFFICIENCY IN EARLY RELIEF PACKAGES.

HOWEVER, THE MOST NOTABLE GREEN RECOVERY PLANS HAVE COME FROM THE EUROPEAN UNION.

IN DECEMBER 2019, THE EUROPEAN COMMISSION RELEASED ITS OVERALL PLAN FOR THE 'EUROPEAN GREEN DEAL,' A MULTI-YEAR PROJECT TO BECOME THE FIRST CLIMATE-NEUTRAL CONTINENT BY 2050. WITH SUSTAINABILITY AT THE HEART OF EUROPE'S PLAN FOR ECONOMIC RECOVERY BEFORE COVID-19, IN JULY 2020, EUROPEAN GOVERNMENTS APPROVED \$572 BILLION INTO ELECTRIC VEHICLES, RENEWABLE ENERGY, AND AGRICULTURE, AMONG OTHER SECTORS, AS PART OF A \$2 TRILLION RECOVERY PACKAGE. ALMOST A THIRD

OF COVID-19 RECOVERY IS EARMARKED FOR CLIMATE ACTION, WHICH GIVES EU MEMBER STATES THE OPPORTUNITY TO DEVELOP CLEAN ENERGY RESOURCES, ACCELERATE THE TRANSITION TO EMISSIONS-FREE VEHICLES, INVEST IN BUILDING TECHNOLOGIES, AND PROMOTE ENERGY EFFICIENCY. AS PART OF THIS MOVE, THE EUROPEAN INVESTMENT BANK BECAME EUROPE'S CLIMATE BANK.

THIS ALSO DOVETAILS WITH THE ANNOUNCEMENT MADE ON SEPTEMBER 16, 2020 TO RATCHET UP THE EU'S CLIMATE AMBITION BY TARGETING A 55% REDUCTION IN EMISSIONS OVER 1990 LEVELS BY 2030.

A NUMBER OF JURISDICTIONS ARE ALSO USING THIS TIME OF CRISIS TO SEND STRONG SIGNALS ABOUT NEW TECHNOLOGIES AND APPROACHES FOR EXAMPLE IS INTEGRATING COMMITMENTS TO GREEN HYDROGEN IN RECOVERY PACKAGES.

I OFFER THREE POINTS IN CONCLUSION.

FIRST, THE NATURE OF THE CRISIS MEANS THAT IT IS A ONCE IN A GENERATION OPPORTUNITY TO PIVOT AND ENSURE ECONOMIC FUTURE PROTECTS PEOPLE AND THE PLANET.

SECOND, **THERE IS A SWEET SPOT** OF ACTIONS TO SPUR IMMEDIATE JOB GROWTH, BOOST INCOMES AND ACHIEVE EMISSIONS REDUCTION AND BUILD RESILIENCE. THERE IS VIOLENT AGREEMENT ACROSS INTERNATIONAL ECONOMIC AND FINANCIAL INSTITUTIONS THAT THIS IS ACHIEVABLE AS WELL AS DESIRABLE. A GROWING NUMBER OF COUNTRIES ARE INTRODUCING ELEMENTS, AND THE EU HAS SET AN AGGRESSIVE GOAL FOR ITSELF. YESTERDAY THE CHINESE PREMIER ANNOUNCED CHINA'S INTENTION TO NET ZERO BY 2060 AND TO PEAK EMISSIONS BY 2030. 2/3 OF THE WORLD'S LEADING EMITTERS ARE NOW COMMITTED TO GREATER AMBITION

THIRD, THE PRIVATE SECTOR AND INVESTORS ARE INCREASINGLY MOVING TO ZERO NET EMISSIONS TRAJECTORIES AND WITH STRONG GOVERNMENT SIGNALLING CAN GO FURTHER, FASTER. GOVERNMENT ACTION WILL BE NEEDED TO PLACE MORE AMBITIOUS BETS ON THE TECHNOLOGIES OF THE FUTURE SUCH AS GREEN HYDROGEN AND THESE RESETS ARE ALSO BEGINNING TO ENTER INTO RECOVERY PLANS.

GOVERNMENT ACTION IS ESSENTIAL TO ENSURE THAT COMMUNITIES ARE NOT LEFT BEHIND AS IS THE CASE IN ALL TRANSITIONS. THE VIRUS HAS SHOWN THE LIMITS OF OUR RESILIENCE.

WE NEED TO BE RESILIENT TO THE IMPACTS OF CLIMATE CHANGE – TO NOT INVEST IN THAT NOW AS PART OF RECOVERY WOULD BE DETRIMENTAL IN THE SHORT AND LONG RUN.