

# Achieving Paris Agreement: One Covid-19 crisis per year until 2050

By Adel El Gammal (pictured), Secretary-General of the European Energy Research Alliance (EERA), on why post-Covid economic recovery choices will be a defining moment for human society

**J**ust a year ago, I was commenting in the lines of European Energy Innovation, that in spite of the Paris Agreement adopted three years earlier by 196 state parties, the world was on a trajectory towards 3.3°C<sup>1</sup>.

With global emissions peaking year after year, it seemed that nothing could stop the world economy to produce more, consume more resources and energy, and emit more GHG.

Not even the most alarming warnings from the global scientific community on upcoming climate crisis and subsequent societal chaos.

## **What Covid crisis tell us about our societal model**

While four months ago, still just a distant virus hitting a then rather unknown Chinese city, the Covid-19 outbreak has now stranded the entire world economy, generating a social and economic crisis never seen since World War II.

The sudden discovery of the dramatic vulnerability of our world economy undoubtedly constitutes a historical and decisive turning point in the evolution of our modern society.

It has irreversibly marked the human collective conscience and will therefore lead to a deep reconsideration of the foundation of our current development model.

From an industrial perspective, a relative de-globalization is expected to take place, lowering offshore dependency, towards a more resilient and distributed production system where strategic supply chains will be progressively re-shored.

From a market perspective, the crisis has demonstrated that Adam Smith's invisible hand was also blind, and it reinstated the essential role of a strong State guaranteeing fundamental public services defined as common goods and therefore preserved from market forces.

From a social perspective, the general response of governments to the Covid-19 crisis has broken a century old universal certitude and has revealed what was unthinkable just few months ago: Governments are able to unlock trillions of € in a snap of the fingers. There is little doubt this sets an irreversible precedent to the evolution of our future societal model.

The Coronavirus pandemic might well distract attention from climate-related longer-term imperatives and shed uncertainty in the coming months on climate related funding at national, EU and global levels.

But it will surely constitute an eye-opener: The frailty of human society and its vulnerability to the much higher threat of Climate Change coupled with the capacity to mobilize

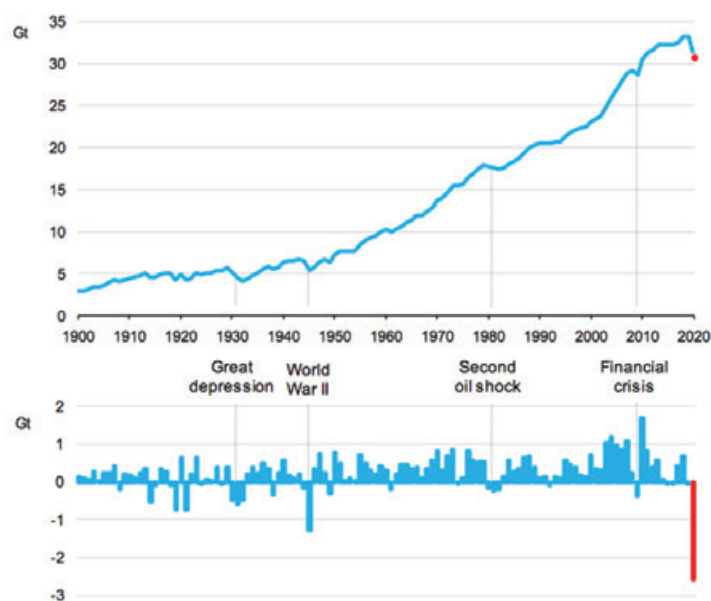
nearly non-limited financial resources has become the new reality for citizens towards whom Governments will have to justify the legitimacy of their action.

And Climate Change will soon emerge as the single most relevant priority driving policymaking in Europe and worldwide.

## **One Covid crisis every year in the next three decades to reach Paris Agreement targets**

The Covid outbreak is not a direct effect of Climate Change, but both





Top: Global energy-related emissions  
Bottom: Annual change in GtCO<sub>2</sub>, with projected 2020 levels highlighted in red.

Credit: Carbon Brief<sup>5</sup> based on IEA data<sup>6</sup>

are consequences of our human frantic late development model.

But the Covid crisis can however help us to better embrace the magnitude of the climate challenge ahead.

The major disruption and near standstill of economy developing since March 2020 as a result of Coronavirus is expected to lead, according to the latest forecast, to a decrease of over 7% of GHG

emissions this year compared to 2019<sup>2</sup>. It would represent the largest ever annual fall in CO<sub>2</sub> emissions, largely surpassing all previous economic crisis and even war periods.

The recently released Emission Gap Report<sup>5</sup> establishes that, reaching the 1.5°C target of the Paris Agreement would require global emissions to decrease at a steady rate of 7.6% each year to 2050.

This is to say reaching Paris Agreement target would need a reduction rate equivalent to more than the impact of about one Covid-19 crisis every year, through the next 30 years.

This simple analogy helps to grasp the magnitude of the transformation that will be required globally over the next three decades to avoid climate chaos.

It also hints that similar levels of emissions reduction can only be achieved at the price of substantial changes in our consumption level and therefore living patterns and lifestyle.

### **Economic recovery: A defining moment for the future of society**

In the aftermath of the 2008 financial crisis, more than €1,400 Billion of direct aid from public money were authorized to 215 financial institutions<sup>6</sup>. The Eurosystem Balance sheet has increased from 10% of the Eurozone PIB in 2007 to more than 40% currently<sup>7</sup>. If this stimulus has helped avoiding the collapse of the financial system and the subsequent social consequences, it is however recognized today that it has failed to structurally address the failures of the economic system and resulted instead in further increasing social and financial inequalities.

The Covid crisis has already certainly

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generated a major mentality shift by breaking the sacred rules of financial orthodoxy and by leading EU governments and leaders to consider new solidarity and recovery instruments.

The depth of the economic and social crisis generated by the current pandemic is unprecedented and will require economic stimulus measures to avoid equally unprecedented social chaos, capable of swiftly and vigorously relaunching economic activity and job creation.

But unlike the 2008 financial crisis, EU leaders and governments have the historical responsibility to ensure that such a stimulus is now fundamentally directed towards achieving the promises of the EU Green Deal<sup>8</sup>.

They must do so by massively investing in those sectors that concur to a fair and sustainable Clean Energy Transition while orderly and decisively

disengaging from carbon intensive sectors of the old economy.

They must demonstrate the political courage to fundamentally reset the societal priorities by channeling public money and stimulating private investment with the scale and speed required by the immense challenge of transforming the technological, economic and societal foundations needed to decarbonize the society.

The time has come to stimulate the EU research and innovation powerhouse to ensure EU emerges as a leader and forerunner in the design of the post-Covid green, fair and sustainable development model.

If the EU Green Deal provides a relevant platform for this transformation, its funding must be fundamentally revised to match its ambitions.

The upcoming transformation requires to massively unlock fresh public money to support the redesign of a new sustainable socioeconomic development model. It will not take place with current envisioned budgets, largely resulting from recycling existing instruments combined with unrealistic leverage ratios expected from private investments.

EU Governments and leaders must now stand to their responsibilities and regain democratic support and legitimacy.

This might well be the last opportunity to avoid upcoming climate chaos and societal collapse, whichever occurs first.

And this is a unique opportunity for redesigning our common socioeconomic sustainable future, grounded on a new democratic contract. ●

## About EERA

The European Energy Research Alliance (EERA) is an association of European public research centers and universities active in low-carbon energy research.

EERA's mission is to Catalyse European energy research to achieve a carbon neutral society by 2050.

Bringing together more than 250 organizations from 30 countries, EERA coordinates research activities through 17 joint research programs. EERA is a key player and official partner in the EU's Strategic Energy Technology (SET) Plan.

In line with its Mission, EERA is committed to supporting Europe in achieving a successful energy transition in line with the EU's climate 2050 goals and Paris commitments.

Visit: **[www.eera-set.eu](http://www.eera-set.eu)**

1 Climate Action Tracker, December 2018 update

2 IEA, Global Energy review 2020, impacts of covid-19 on global energy demand & CO<sub>2</sub> emissions – April 2020

3 Carbon Brief, 30 April 2020. IEA: Coronavirus impact on CO<sub>2</sub> emissions six times larger than 2008 financial crisis

4 IEA, Global Energy review 2020, impacts of covid-19 on global energy demand & CO<sub>2</sub> emissions – April 2020

5 The Emission Gap Report 2019, United Nation Environmental Programme (UNEP)

6 The cost of interventions in the financial sector since 2008 in the EU countries, Antonio Millaruelo and Ana del Río, Banco de España, Eurosistema, April 2017

7 European central Bank: Annual consolidated balance sheet of the Eurosystem

8 Ursula von der Leyen Commission: the EU Green Deal, striving to be first climate-neutral continent.