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COMMENTARY

Green recovery key to reviving virus-hit economies

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Achieving our climate ambitions is more imperative now than ever. Amid the devastating impacts COVID-19 has had on our lives and livelihoods, the pandemic yet again reminds us the impact humanity has on the environment.

As much as we are focused on confronting economic and health emergencies, we must not lose sight of the historic opportunity to rethink our economic systems in a way that can turn climate change on its head. Pandemics have a history of catalyzing change. We are already seeing that emerging in our approach to health care, productivity, and governance. Why not for sustainability?

In Asia, the Philippines is one of the most vulnerable countries in the world to climate change; its resilience is regularly tested through increased temperatures and more frequent droughts, floods, and storms. It is hence more imperative for a country like the Philippines to make a commitment toward a low-carbon future to ensure greater social and economic security.

Now is the time to create the conditions for a society-wide transition to a low-carbon sustainable future, by working with key industry players to drive climate initiatives that are also capable of contributing considerably to the country's economic recovery.

Paving the way for sustainable recovery. Currently, governments are urgently pulling together vast budgets to sustain their national economies. The choices government make now will determine whether the pandemic serves to delay or accelerate a low-carbon transition.

There is an opportunity to shape this transition in ways that ensure a long-term sustainable recovery. In fact, the scale of what is needed to tackle climate action can be manageable. According to the World Health Organization, to meet the Paris climate agreement's emissions-reduction targets, governments would need to contribute an estimated 1 percent of global GDP per year.

As the Philippine government seeks a P4.3-trillion budget for 2021 focused on reviving a coronavirus-hit economy, there are opportunities to restructure the economy to one that leads to a more stable climate for the country. I am hopeful about this, given that President Duterte announced policies in 2019 aimed at fast-tracking a transition from coal to renewable energy by tapping into the archipelago's enormous solar, wind, hydropower, ocean, and biomass potential.

Pursuing a green economy makes both environmental and economic sense. For every dollar spent advancing the global energy transition, we get \$3 to \$8 in return, according to the International Renewable Energy Agency.

Scaling innovation and technology is key. Based on insights gathered from successful climate partnerships, three key areas have emerged. The first step is setting ambitious national emissions-reduction targets for each economic sector. This is crucial, so all stakeholders can align on and work toward a common goal. The Philippines has set a good foundation for this, with the President signing into law last April the Energy Efficiency and Conservation Act, which established the general governance and strategies to improve energy use in the nation, aiming to reduce overall demand by 24 percent below BAU by 2040.

Additionally, countries need to reevaluate current business conditions, and establish conditions that would be conducive for improved energy efficiency among industries through renewable energy production and green electrification.

Lastly, governments need to encourage investment toward innovative green technologies. Digitalization and innovation are crucial steps. Water management is a key example where digitalization and innovation can bring about great change, in an industry that traditionally commands considerable energy demands.

No more “business as usual.” The key takeaways I had mentioned are ultimately broad recommendations. There is no one-size-fits-all approach when it comes to finding the right measures that would work for all. Policymakers and industry leaders need to work together to share best practices and insights that would help shape the country’s economic recovery and accelerate the green transition.

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