

Climate Change : Top Climate Stories

Key Stories 2009: Will the Recovery Be Green?

Governments around the world need to spend trillions on the next generation of energy, transport, and urban infrastructure to revive and modernize their economies. In the grip of recession, will they think green and spend wisely?



Building A Greener Future?

The new high-speed Beijing-Shanghai rail line is part of China's massive upgrade of its railway infrastructure (Photo: Reuters)

Countries like China, Germany, Malaysia, Singapore and the United States have announced colossal economic stimulus programs, parts of which will go into overhauling aging public infrastructure.

In the next five years, the world will need new power plants and electricity grids, transport networks, and water and sanitation systems worth about 5 trillion dollars, estimates the World Economic Forum. Global energy generation alone will require 26.3 trillion dollars up to 2030.

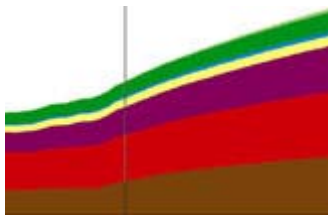
The trillion-dollar question is what form these investments will take. "How much of this is traditional public works and how much of it is an investment in building the low-carbon, high-efficiency economy of the future," asks Jonathan Lash, President of the World Resources Institute.

The choices made will set a pattern for decades to come. The energy infrastructure installed in the next 10 to 15 years will determine the energy profile of countries to 2050 and beyond.

Proven solutions such as coal-fired power plants might make economic sense in times of crisis, but they could threaten long-term economic growth, human development, and the climate. There could be 10,000 new fossil fuel power plants worldwide by 2030, says the European Renewable Energy Council, each adding hundreds of tons of CO2 to the atmosphere every year.

The economic crisis could strangle the development of more sustainable infrastructure: renewable energy; better water management systems; mass transit networks; green vehicles. That would prolong fossil fuel dependency and unrestricted exploitation of natural resources.

"What concerns me most is that the financial crisis will lead to a second set of bad investment decisions," warned the UN's top climate official Yvo de Boer last year. The world, he said, must avoid a "cheap and dirty" fix for the economy because that would risk a second financial crisis when coal-fired power plants have to be scrapped as climate impacts hit.



Graphic (click on the image to view)

The world faces an unsustainable energy future. Here are the essential facts.
(Graphic: IEA)

Alternatively the crisis could provide an opportunity for smarter infrastructure choices, hopes partially fuelled by the incoming U.S. government. "We will harness the sun and the winds and the soil to fuel our cars and run our factories," promised U.S. President Barack Obama in his inaugural speech.

Obama speaks about remaking the American economy as a green economy and pledged to invest 150 billion dollars over 10 years to develop alternative energy, which he says will create 5 million jobs.

There are equally positive signals from China. Beijing has stated that 20 percent of its massive two-year stimulus program is for clean technology and energy efficiency. It will also spend 730 billion dollars on its rail network up to 2020. Nevertheless, China will continue to rely heavily on new coal-fired power plants for the foreseeable future.

U.S. Democrats have added substance to Obama's rhetoric, introducing a massive stimulus program that as well as featuring traditional road and bridge building projects includes billions of dollars in tax breaks for renewable energy as well as spending for energy efficiency and electricity transmission.

For the next generation of infrastructure to be more sustainable than what went before new technologies such as next-generation nuclear plants, advanced irrigation and water recycling systems, Carbon Capture and Storage (CCS) and "smart grid" electricity transmission systems must be part of the mix.

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Infrastructure investments must also take account of the impacts of climate change. Developing nations, for example, will require billions of dollars to adapt their countries' infrastructure to the new realities of a warmer world: floods, droughts, diseases. Cheap and dirty infrastructure will only lead to higher costs in the long run, costs that highly indebted countries will be hard pushed to finance.

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