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Interactions between recovery and energy policy in South Africa

Energy Strategy Reviews

Abstract:

The COVID-19 pandemic caused a severe economic shock to which governments responded by announcing large-scale recovery packages with magnitudes unseen before. While some of these policies have been expected to have positive environmental outcomes ("green" policies), most of them have not been designed to address those challenges ("colourless"). Focusing on the economic recovery program announced in South Africa, a country still heavily reliant on fossil-fuels, this paper shows how colourless recovery policy can increase environmental harm, whereas green elements in recovery packages can enhance the decarbonisation effects of energy policy and promote positive economic outcomes. The analysis uses the energy-environment-economy model E3ME to simulate effects of different kinds of recovery policies and quantify the combined impact of a package of measures.

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