

Recovering better for sustainability
Concept Note
Rwanda, Fiji, EU and UK

The Covid-19 pandemic will have a severe impact on the achievement of the SDGs, especially for developing countries.

In response to this crisis, governments are putting in place recovery plans with a focus on supporting households and businesses. The following priorities are common to most countries:

- Contain the pandemic;
- Mitigate the impact of Covid-19 on households' income;
- Support businesses and protect jobs.

Therefore, it is important that we also begin urgently to plan for the long-term recovery. It is critical that we base our recovery on solid foundations; our actions and investments should look to the future and not the past. Our recovery must deliver cleaner, healthier, more inclusive, and more resilient economies and societies, that accelerate progress towards the 2030 Agenda for Sustainable Development and the goals of the Paris Agreement, leaving no one behind.

Objectives

Resilient health systems. Human health is inextricably linked to that of animals and plants, so it is key we take a One Health approach to address all three. Strong health systems deliver better health for everyone, prevent maternal, newborn and child deaths, protect people from financial hardship due to the costs of care, and are resilient to threats such as COVID-19, antimicrobial resistance and the effects of climate change. We must invest to improve equitable and universal access to, and quality and resilience of, essential health services, food and water and sanitation systems, and improve air quality, including in vulnerable countries and for vulnerable and marginalised groups. We must also strive for safe, affordable, and equitable access to COVID-19 vaccines, therapeutics, and diagnostics.

Climate and environment. While it seems that lockdowns have led to reductions in greenhouse gas emissions, as well as air and water pollution, this is likely to be only temporary as economic activity resumes. Without strong leadership, a sense of urgency and the right incentives, we risk locking in a high carbon and unsustainable recovery. We must promote green growth and strive for a rapid, job-led economic recovery that: maximises the opportunities of the transition to a net zero greenhouse gas and resource efficient economy, builds on and leads to enhanced climate ambition, including through NDCs and NAPs, recognises the irreplaceable value of the natural world and better equips us to deal with future shocks through building resilience for the long-term; mobilises finance and aligns financial flows with the SDGs and Paris Agreement. This is important as a reduction in environmental quality may be the source of future diseases.

Digital. In order to overcome a deepening digital divide which undermines sustainable development, we must support digitalisation and new technologies, with a focus on support to inclusive and sustainable growth, affordable last-mile connectivity, digital literacy and skills development, locally-relevant content and services tailored to the needs of underserved communities, access to digital technology for vulnerable and marginalised groups, and greater infusion of digitally enabled work processes and service delivery. This should be supported in a responsible way to protect citizens' rights and security online. We have witnessed a change in people's behaviour during the Covid-19 pandemic thanks to technological progress: remote working including meetings and events. This may be associated with a reduction in public and private transport, which has some environmental benefits, as well as a positive impact on public and private expenditure in general.

Inclusion. We must put inclusion, sustainability, gender, resilience and governance at the heart of the recovery. The recovery must focus on addressing inequality and exclusion and protecting all citizens, particularly the poorest and most vulnerable. This broadly means supporting and providing quality and equitable education, health and social protection services for people living in poverty, women and girls, people with disabilities and marginalised and crisis affected groups; ensuring that they are empowered to play a meaningful leadership role and their voices are heard in every aspect of our response. Policies and programmes must be reoriented in the COVID-19 context, and integrated with other inherent risks including climate change.

Principles

Investment in the global recovery from Covid-19 should take as its guiding frameworks the 2030 Agenda on Sustainable Development and Sustainable Development Goals (SDGs), Paris Agreement, Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction and should take account of the work of Special Envoy Carney on private finance. The recovery should:

- Create strong and resilient health systems underpinned by universal health coverage that focus on equitable access, quality and financial protection.
- Create environmentally sustainable, inclusive and dynamic economies, driven by clean, resource efficient and climate-resilient growth that reduces emissions, protects our biodiversity and natural capital and promotes sustainable consumption and production patterns.
- Create fairer, more equal societies, places with accountable, inclusive, transparent and resilient institutions.
- Focus on expanding support for the most vulnerable, including through social and financial protection, and education and healthcare systems, so that no-one is left behind.
- Engage, strengthen and leverage the positive role of the financial system in meeting these goals, drawing on public and private sources, which will be fundamental to delivering a recovery that is better for sustainability. This should focus on future-proof investment and built-in resilience, with cost and

sustainability as underlying drivers. All sources of finance for developing countries should be engaged and leveraged in the best possible manner.

- Improve the integration of climate, environmental sustainability and resilience into national planning processes and development finance.

Areas of action

A cleaner, healthier, more inclusive and resilient world cannot be delivered by any one country alone. Recovery must be coordinated, driven by international solidarity, openness and leadership, multilateralism and collaboration between governments, international organisations, international financial institutions, civil society and the private sector, and draw on international research and innovation, to get our shared goals back on track.

A sustainable recovery must drive the agendas of all actors, engaging all sources of finance. But we also realise that doing more comes at a time when resources both internationally and domestically are going to be extremely tight, so we need focus on where our resources will have the greatest impacts.

Governments

Countries should integrate recovery from Covid-19 into their strategies for achieving the SDGs, including measures for monitoring and reporting. Countries should mobilise and make effective use of all available resources (public, private, domestic, international), and promote Integrated National Financing Frameworks. This includes measures for debt management, fiscal transparency and sustainability. Countries should put in place appropriate regulations, modernised revenue and tax systems (including incentives/disincentives in support of 'green', carbon pricing etc.), institutions, business environments, debt management etc. Phase out fossil fuel subsidies. Encourage development of sustainable project pipelines. Countries should develop circular economy/sustainable consumption and production strategies.

Countries should adopt policies to send market signals and accelerate clean, inclusive and resilient growth (including renewable energy, clean transport, sustainable agriculture etc.). Countries should consider the potential for enhancing climate ambition and the integration of NDCs and long-term strategies into national planning processes, in the context of a sustainable recovery.

Governments should prioritise the reopening of schools, when safe to do so, ensuring and championing equal access to quality learning for all children, especially the most vulnerable, marginalised girls and children with disabilities, while strengthening education systems. They should expand coverage of social protection to reach the poorest and most vulnerable and build their resilience, while investing in shock-responsive systems.

Investment and the private sector

Investments must shift to drive the transition and leverage additional funding in partner countries. Integrate consideration of sustainability criteria into investment

decision-making. Use existing voluntary frameworks to provide comprehensive sustainability-related financial disclosure.

Develop taxonomies for sustainable investment, including low-carbon benchmarks and disclosure rules for sustainability. Encourage financial system to support international commitments to achieve sustainable and inclusive growth and job creation, including investment in poorest countries. Focus on support for green infrastructure and energy. Focus on development, deepening and equitable outreach of digital technology. Include support for local banks, pension funds etc. Promote sustainable corporate governance. Support high quality jobs, training and economic empowerment for women, marginalised groups and people living in poverty, including those working in agriculture, manufacturing and the informal sector.

International public finance

Increase international public finance for sustainability from traditional and emerging providers. Promote take-up of Total Official Support for Sustainable Development (TOSSD). Scale up green bonds and other innovative financial instruments for sustainability and enhancing the domestic financial markets. Guarantees for green investment. Establish sustainable finance standards in international financial regulation through the G20 and the International Platform on Sustainable Finance, and potentially through the IFRS Foundation.

Include sustainable finance and green recovery in trade policies and agreements to mobilize and support sustainable and inclusive growth and jobs. Invest in health systems resilience, youth education, training and jobs. Develop sustainable finance framework with MDBs, DFIs, including progress on Paris alignment commitments.

Invest in research in clean technologies and value chains, health and digital. Invest in grass-roots civil society organisations, front-line responders, gender-based violence and protection services and the care economy.