

## Discussion Group 2: Recovering better for sustainability

### First Meeting Summary

*15 July 2020*

The first formal meeting of the Group, attended by over 120 participants, took place on 15 July 2020. The co-chairs presented their vision and concept outlining the scope of work for the Group, framed the objectives and explained the process going forward towards the goal of preparing policy options for the consideration of Finance Ministers, and ultimately the Heads of State and Government. Discussion Group II participants are kindly requested to provide their input to the menu of policy options through e-mail by 23rd July. The co-chairs of DG II will circulate the draft menu of policy options on 4th August and will invite participants to the 2nd formal meeting which will take place on 5th August.

Key messages presented:

With the Agenda 2030 and Paris Agreement, Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction taken as guiding principles four focus areas have been identified: (i) resilient health systems; (ii) climate and environment; (iii) digital; and (iv) inclusion.

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.

*The following key messages were conveyed in the first formal meeting of Discussion Group II in addition to the points expressed by the co-chairs:*

- The group should move quickly from principles to actions.
- The policy recommendations should be practical and pragmatic proposals that will find the necessary political will and can be easily implemented.
- The recovery should bring about structural changes that create decent jobs, and harness technology for a new development model of social inclusion, equity, environmental sustainability and should have a focus on local needs.
- Policy recommendations should include a financing strategy and tools to close the financing gap between disaster risk reduction and response, placing prevention as a priority and present opportunities to mobilize different financing instruments, fair tax systems, including taxing carbon and ensuring that multi-national corporations pay their fair tax shares.
- Digitization must form part of the recovery, as well as partnerships with private sector, global funds, digital inclusion that will provide local jobs to keep people from needing to leave their towns and villages to find work. Specific focus should be given to support SMEs/ MSMEs.