



Global Dialogue on Responding to the COVID-19 Pandemic and Economic Crisis: Building Back Better Aligned to the SDGs and the Paris Agreement

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Key Takeaways from 1st Dialogue: Aligning the Recovery

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- 1. Urgency to address the COVID response.** The critical timeframe for action is the next 18 months, when countries will invest \$10-20 trillion or more in boosting economic growth. How they do this will determine the future climate and sustainable development trajectory. Participants stressed the need to advance fundamental reform as part of the recovery packages that will follow the first wave of emergency relief. They also noted that the broader climate and sustainability policy agenda—including attention to NDCs, the 2030 Agenda and the Sustainable Development Goals, and the European Green Deal—also remains key for setting the right context and signals.
- 2. Uneven recovery, with overlapping phases.** Participants identified several key phases for the COVID-19 response that include rescue and relief, economic recovery, and revitalized growth and reform. The phases will be overlapping, recovery won't be entirely smooth, and different parts of the world will experience different phases at different times. We should think in terms of a W-shaped economic recovery or even multiple W's, rather than a V-shaped or U-shaped recovery.
- 3. A shared, clear and compelling narrative.** Participants agreed on the urgent need for a narrative around a green and resilient recovery that puts people first and has well-being, including jobs and livelihoods, at its core. This includes linking the protection of nature and biodiversity, safe and adequate water supplies, and air quality to human health. How the narrative handles "green conditionalities" is an important question. Participants underscored the need for tailoring this narrative to individual country contexts, including the importance of development for developing countries.
- 4. Interventions to ensure a more inclusive, sustainable recovery.** Participants identified several interventions that can help ensure the economic recovery lays the foundation for a better future: low-carbon, shovel-

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ready infrastructure projects, public procurement directed at low-carbon goods and services, preferential interest rates for low carbon investments, financial tools such as bonds tailored to green efforts, skills and job training programs for low-carbon sectors, nature-based solutions, advancing fossil fuel subsidy reform and carbon pricing, etc. In-depth attention was given to:

- **Jobs.** Participants emphasized that granular analysis will be needed to assess sectors and geographies where jobs should be created and where skill/job training will be needed.
- **Bailouts.** Participants emphasized that there is a serious risk that recovery plans will support carbon-intensive sectors. Some are already including bailouts of carbon-intensive industries that can undercut climate and sustainability objectives in sectors such as automobiles, aviation, coal, and the oil & gas sector.
- **Regulation.** Participants noted the importance of regulation as part of COVID recovery both as a risk and opportunity. Environmental and labor/human rights regulations and norms will need to be protected if stimulus policies attempt to undercut them. Regulatory and incentive frameworks can also drive more radical investment and change over the long-term than direct stimulus funds.

5. **Addressing the economic crisis and limited finance in developing countries.** Participants emphasized the economic crisis is more dire in developing countries, as a result of capital flight, impaired supply chains, and reduced remittances, in addition to the humanitarian crisis. Many vulnerable developing countries will require debt cancellation, not just debt suspension.
6. **International cooperation.** Participants emphasized the importance of engaging effectively with and influencing institutions such as the World Bank, IMF, the UN, G7 and G20, etc. They highlighted the need for new models of international cooperation and proposed that we pursue a revamp of the Bretton Woods system that would put well-being at the center of international agreements and processes.
7. **Sharing lessons.** Participants highlighted the importance of understanding and sharing approaches to undertaking COVID recovery plans that are green and resilient. A tracking mechanism for effective (and ineffective) green stimulus plans would be exceedingly helpful, especially to promote learning about the types of interventions that work.
8. **The bigger picture.** Participants stressed that the COVID crisis offers a critical opportunity to engage people in thinking about what kind of growth we want, with a particular focus on well-being. Participants also noted that we should look at how behavioral changes such as teleworking and changes in mobility can be part of a sustainable recovery process and how COVID-induced responses such as more localized supply chains and circular economy can advance a more ambitious climate agenda.
9. **Partnerships.** Across all issues, participants agreed that it will be essential to think carefully about how to build the right partnerships (e.g., with young people) and how to reach key decision makers beyond the climate 'bubble' (e.g., finance ministers). Participants stressed the importance of links with other issues, movements and constituencies such as such as health, labor, inequality and just transition, nature-based solutions, etc. Building these bridges will be needed to generate sufficient political support for a more inclusive, resilient and sustainable future.